Manitoba

Annual Report 2000 - 2001

Finance

Special Operating Agencies
Financing Authority

Includes 10% post-consumer waste

Minister of
Finance

Room 103
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter M. Liba, C.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Ninth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2001.

Respectfully submitted,

Honourable Greg Selinger
Minister

2001
International Year of Volunteers

Manitoba

Finance Treasury Board Secretariat

2nd Floor - 386 Broadway
Winnipeg, Manitoba
R3C 3R6

Honourable Greg Selinger
Minister of Finance
Room 103, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Minister:

I have the honour to submit for your consideration the Ninth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2001.

Respectfully submitted,

John K. Wilkins
Chairperson,
Special Operating Agencies Financing Authority

2001
International Year of Volunteers

102-00153/

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The Special Operating Agencies Initiative

The Province of Manitoba adopted Special Operating Agencies (SOAs) as a program delivery and financing option in 1992. SOAs are service operations within government granted more direct responsibility for results and increased management flexibility needed to reach new levels of performance. Through strengthened accountability to their Minister and central government, they can improve the delivery of services by:

- ensuring operations are clearly defined and well understood;
- setting demanding performance goals and developing strategies for attaining them;
- applying the best public sector management practices; and
- monitoring performance to ensure continuous progress toward goals.

The aim of SOAs is to give greater authority and scope to managers and employees to encourage initiative, enhance service, and reduce the cost of government. Service and management improvements are built on pride in the capabilities and dedication of the professional Civil Service. The ultimate success of SOAs depends on people and the enthusiasm they bring to the job.

SOAs exist somewhere along an organizational continuum between a government department and a Crown corporation. Candidates can be direct public services, internal services to government, science and technology services, or regulatory and enforcement programs. In addition to accounting fully for their operations, they must be dedicated to improving service quality and efficiency.

SOAs are manifestations of the *New Public Management*, variations of which have proven successful at the federal level in Canada and abroad. Encouraged by these experiments, the development of SOAs in Manitoba is a matter of government policy, consistent with continuing alternative service delivery efforts.

L'initiative relative aux organismes de service spécial

En 1992, la province du Manitoba a adopté les organismes de service spécial (OSS) à titre d'option de financement et de prestation de programmes. Les OSS, qui assurent un soutien logistique au sein du gouvernement, ont des responsabilités plus directes en ce qui concerne les résultats et une plus grande souplesse de gestion nécessaire pour atteindre de nouveaux niveaux de rendement. Moyennant une responsabilité accrue à l'égard de leur Ministre et du gouvernement central, ils peuvent améliorer la prestation des services :

- en veillant à ce que les activités soient clairement définies et bien comprises;
- en se fixant des objectifs de rendement élevés et en élaborant des stratégies pour les atteindre;
- en appliquant les meilleures pratiques de gestion du secteur public;
- en surveillant le rendement afin de garantir une progression continue vers les objectifs.

Les OSS ont pour but d'élargir le pouvoir et la portée des gestionnaires et des employés afin d'encourager l'initiative, d'améliorer les services et de réduire le coût de l'administration publique. L'amélioration des services et de la gestion repose sur la fierté des capacités et le dévouement d'une fonction publique professionnelle. Le succès des OSS dépend, en définitive, des personnes et de leur enthousiasme au travail.

Dans le continuum organisationnel, les OSS se situent quelque part entre les ministères et les sociétés d'État. Les candidats peuvent être des services publics directs, des services internes du gouvernement, des services scientifiques et technologiques ou des programmes de réglementation et d'application de la loi. En plus de rendre totalement compte de leurs activités, ils doivent constamment s'efforcer d'améliorer la qualité et l'efficacité du service.

Les OSS sont des manifestations de la *nouvelle gestion publique* dont des variantes se sont révélées fructueuses au palier fédéral au Canada et à l'étranger. Encouragé par ces expériences, le Manitoba a fait de la mise sur pied d'OSS une question de politique gouvernementale, conforme aux efforts continus visant à offrir d'autres solutions en matière de prestation de services.

The Fleet Vehicles Agency was established as the first SOA in Manitoba and at the provincial level in Canada. It serves government transportation needs with 20% fewer vehicles, at 5% below market prices, for an estimated saving of close to $6 million annually. Building on this success, the complement of SOAs has reached seventeen, representing 5% of the Civil Service and $112 million in business for government. The schedule of SOAs follows.

L'Organisme chargé des véhicules gouvernementaux a été le premier OSS créé au Manitoba et au palier provincial au Canada. Il répond aux besoins du gouvernement en matière de transport avec 20 % de moins de véhicules, à 5 % en dessous des prix du marché et en faisant réaliser des économies annuelles estimées à près de 6 millions de dollars. Fort de ce succès, le Manitoba compte maintenant 17 OSS qui représentent 5 % de la fonction publique et 112 millions de chiffre d'affaires pour le gouvernement. Voici l'ordre chronologique de création des OSS manitobains.

MANITOBA'S 17 SPECIAL OPERATING AGENCIES

1992/93
Fleet Vehicles Agency

1993/94
Materials Distribution Agency

1994/95
Organization and Staff Development
Vital Statistics Agency

1995/96
Civil Legal Services
MERLIN
Land Management Services
Pineland Forest Nursery

1996/97
Companies Office
Manitoba Text Book Bureau
Mail Management Agency
Industrial Technology Centre
The Public Trustee
Office of the Fire Commissioner
Food Development Centre

1997/98
The Property Registry

1999/2000
Manitoba Securities Commission

LES 17 ORGANISMES DE SERVICE SPÉCIAL DU MANITOBA

1992-1993
Organisme chargé des véhicules gouvernementaux

1993-1994
Organisme chargé de la distribution du matériel

1994-1995
Organisme chargé du perfectionnement et de la formation
Bureau de l'état civil

1995-1996
Bureau du contentieux civil
MERLIN
Services de gestion foncière
Pépinière de la forêt de Pineland

1996-1997
Office des compagnies
Centre des manuels scolaires du Manitoba
Organisme de gestion du courrier
Centre de technologie industrielle
Curateur public
Bureau du commissaire aux incendies
Centre de développement des produits alimentaires

1997-1998
Office d'enregistrement des titres et des instruments

1999-2000
Commission des valeurs mobilières du Manitoba

The Province continues to refine the SOA concept. Additional agencies will be considered in future years based on priority and acceptability.

Other governments are looking increasingly to Manitoba's initiative as a model for their operations. SOAs are seen as a practical, enterprising response to the very difficult fiscal and service delivery challenges facing government today.

La province continue d'améliorer le concept des OSS. D'autres organismes seront envisagés dans les années à venir, selon les priorités et l'acceptabilité.

D'autres gouvernements étudient de plus en plus l'initiative du Manitoba afin de s'en inspirer. Les OSS sont considérés comme étant une réponse pratique et dynamique aux défis très délicats sur le plan financier et sur celui de la prestation de services que le gouvernement doit relever aujourd'hui.

The Special Operating Agencies Financing Authority

The SOA Financing Authority was established April 1, 1992 under authority of ***The Special Operating Agencies Financing Authority Act.*** The Financing Authority and its Chairperson operate under the direction of the Minister of Finance. Treasury Board acts as the primary decision-making body, while the Department of Finance and Treasury Board Secretariat supply staff support.

The Financing Authority provides a mechanism for funding SOAs outside the parameters of the Consolidated Fund. It holds and acquires assets associated with SOA operations and finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like way within government policy expectations.

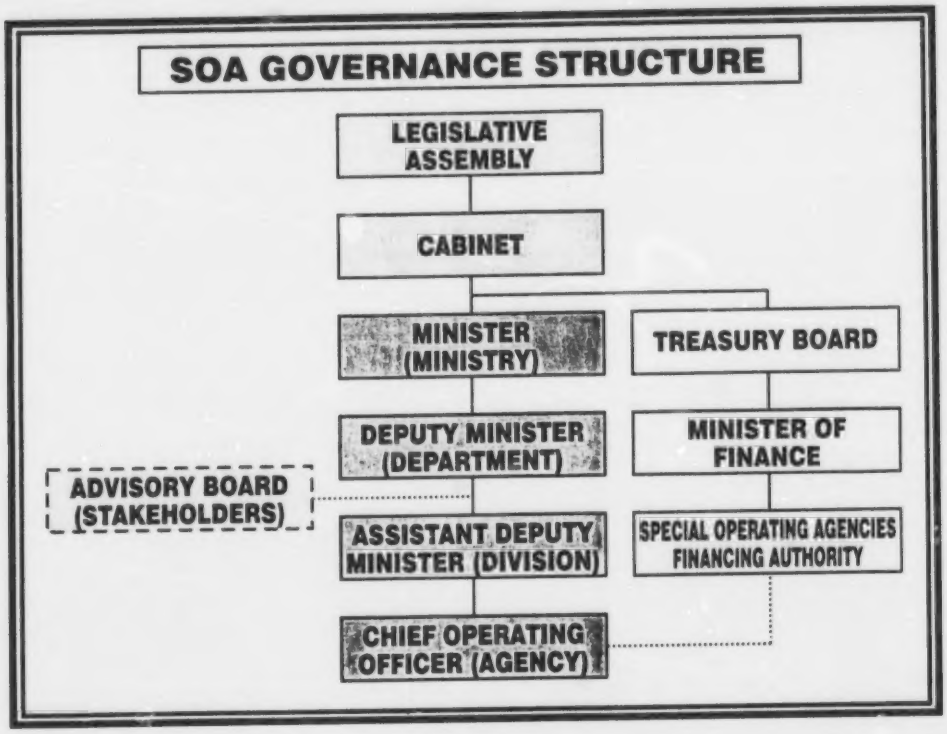
Each agency has an operating charter and management agreement that outline its individual governance and administrative arrangements. Accountability is assured through annual business plans, audits, and reports forwarded through its advisory board to the Financing Authority. In turn, the Financing Authority is audited and submits an annual report on overall SOA operations to the Minister of Finance for tabling in the Legislature. The governance structure is depicted below.

L'Office de financement des organismes de service spécial

L'Office de financement des OSS a été créé le 1er avril 1992 en vertu de la ***Loi sur l'Office de financement des organismes de service spécial.*** L'Office de financement et son président agissent sous la direction du ministre des Finances. Le Conseil du Trésor est le principal organe décisionnel, tandis que le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le personnel auxiliaire.

L'Office de financement permet de financer les OSS en dehors des paramètres du Fonds consolidé. Il détient et acquiert des actifs liés aux activités des OSS, qu'il finance par le biais de capitaux d'apport, de prêts remboursables et d'avances de fonds de roulement. Ce cadre financier permet aux OSS de fonctionner comme des entreprises tout en respectant les attentes politiques du gouvernement.

Chaque organisme a une charte et un accord de gestion qui exposent sa régie et les dispositions administratives le concernant. La responsabilité est assurée par des plans d'activités, des vérifications et des rapports annuels qui sont transmis à l'Office de financement par l'intermédiaire du conseil consultatif de chacun. L'Office de financement lui-même fait l'objet d'une vérification et remet un rapport annuel sur les activités globales des OSS au ministre des Finances, qui le déposera à l'Assemblée législative. La structure de régie est présentée ci-dessous.



The Chairperson of the Financing Authority is also the SOA Coordinator, who reports to the Secretary to Treasury Board. The mission is:

To provide corporate leadership, direction, and coordination of the Special Operating Agencies reform initiative, with a view to continuously improving the quality of management and services across the Manitoba Government.

The position is responsible for coordinating the planning, design, implementation, and evaluation of SOAs. The coordination role requires the incumbent to:

- provide overall planning and consultative support to departments in the prioritized examination of SOA status for their best candidates;
- facilitate and support awareness, orientation, education, information-sharing, and dialogue among stakeholders and with other interested parties;
- explore and nurture complementary management and service improvements arising from SOA consultative work; and
- contribute through teamwork and professional competence to the role of Treasury Board in managing change.

Le président de l'Office de financement est également coordonnateur des OSS et il relève du Secrétariat du Conseil du Trésor. Il a pour mission de :

Fournir une orientation, une coordination et un leadership généraux dans l'initiative de réforme des organismes de service spécial, l'objectif étant de d'améliorer constamment la qualité de la gestion et des services dans tout le gouvernement du Manitoba.

Le président est chargé de coordonner la planification, la conception, la mise en œuvre et l'évaluation des OSS. En sa qualité de coordonnateur, il doit :

- apporter aux ministères un appui général en matière de planification et de consultation dans l'examen par ordre de priorité du statut d'OSS de leurs meilleurs candidats;
- faciliter et soutenir la sensibilisation, l'orientation, l'éducation, le partage de l'information et le dialogue parmi les intervenants et d'autres parties intéressées;
- étudier et favoriser d'autres améliorations de la gestion et des services découlant des travaux consultatifs relatifs aux OSS;
- contribuer, par un travail d'équipe et des compétences professionnelles, au rôle du Conseil du Trésor dans la gestion du changement.

Approximately 20% of the incumbent's time is devoted to the governance role as Chairperson and sole member comprising the Financing Authority. In this capacity, the incumbent oversees and manages the Financing Authority's affairs in compliance with statutory, policy, and management requirements. Much of this work concerns final approvals leading to start-up of new SOAs, as well as ongoing accountability requirements for established SOAs.

The Treasury Board Secretariat provides for the Chairperson's/Coordinator's basic salary, benefits, and operating costs in support of this corporate initiative. In addition, SOAs are assessed an annual levy to fund identifiable expenses associated with Financing Authority operations. The levy is prorated against the Financing Authority's annual budget based on each SOA's projected gross revenue.

Le titulaire consacre environ 20 % de son temps au rôle de gestion en sa qualité de président et de membre unique de l'Office de financement. À ce titre, il supervise et gère les affaires de l'Office de financement conformément aux exigences réglementaires, politiques et de gestion. Une bonne partie de son travail concerne les approbations finales conduisant à la création de nouveaux OSS ainsi que les obligations redditionnelles des OSS existants.

Le Secrétariat du Conseil du Trésor fournit le salaire de base, les avantages sociaux et les coûts de fonctionnement du président/coordonnateur, en appui à cette initiative collective. De plus, une contribution annuelle est prélevée sur les OSS pour financer les dépenses identifiables liées aux activités de l'Office de financement. La contribution est calculée au prorata, par rapport au budget annuel de l'Office de financement, en se fondant sur le revenu brut prévisionnel des OSS.

2000/01 Operations

The operations of the Financing Authority for the fiscal year ended March 31, 2001 were limited to the operations and financial results of the seventeen SOAs. The auditors' opinions and related management reports are included with the agencies' financial statements as an appendix to this report.

The financial results presented herein do not necessarily correspond to the results presented in some agencies' statements. For the year ended March 31, 2000, the Province adopted a revised approach for calculating SOA pension liability based on an updated actuarial valuation, indexation, and an error in the original methodology. These changes were communicated after some SOAs had already completed their audits, such that adjustments to the pension liability were not reflected in their audited statements. The Financing Authority reflected the required adjustments for all SOAs in its combined statements and annual report for the year ended March 31, 2000. Affected SOAs restated the pension liability retroactively in their 2000/01 financial statements.

Activités pendant l'exercice 2000-2001

Pendant l'exercice qui s'est terminé le 31 mars 2001, les activités de l'Office de financement se sont limitées aux activités et aux résultats financiers des 17 OSS. Les avis des vérificateurs et les rapports de gestion connexes sont joints aux états financiers des organismes en annexe au présent rapport.

Les résultats financiers présentés ici ne correspondent pas nécessairement à ceux présentés dans les états financiers de certains organismes. Pour l'exercice qui s'est terminé le 31 mars 2000, la province a adopté une approche révisée du calcul de l'obligation des OSS découlant des régimes de retraite fondée sur une évaluation actuarielle actualisée, une indexation et une erreur dans la méthodologie originale. Ces changements ont été communiqués après que certains OSS avaient déjà terminé leur vérification, ce qui fait que les corrections apportées à l'obligation susmentionnée n'apparaissent pas dans leurs états financiers vérifiés. L'Office de financement a tenu compte de corrections nécessaires pour tous les OSS dans ses états combinés et dans son rapport annuel pour l'exercice se terminant le 31 mars 2000. Les OSS concernés ont rétabli l'obligation découlant des régimes de retraite dans leurs états financiers de 2000-2001, à titre rétroactif.

Financial Highlights

- Prepayment of $598,000 (2000 - $0) in original long-term debt owed to the Province by the Manitoba Securities Commission.
- Increase of $1,202,000 (2000 - $1,211,000 decrease) in the balance of long-term debt to $9,112,000 (2000 - $7,910,000).
- Aggregate authority of up to $20,370,000 (2000 - $18,570,000) in working capital advances at any one time, $8,746,000 (2000 - $7,412,000) of which was utilized at fiscal year-end.
- Transfer of $13,125,000 (2000 - $8,140,000) in designated surpluses to the Consolidated Fund on behalf of the Fleet Vehicles Agency ($2,000,000), Materials Distribution Agency ($525,000), Vital Statistics Agency ($700,000), Civil Legal Services ($500,000), Land Management Services ($500,000), Companies Office ($2,500,000), Office of the Fire Commissioner ($300,000), The Property Registry ($4,500,000), and Manitoba Securities Commission ($1,600,000).
- Increase of $2,311,000 (2000 - $2,600,000) in the balance of retained earnings to $28,756,000 (2000 - $26,445,000).

Faits saillants financiers

- Remboursement anticipé de 598 000 $ (2000 - 0 $) sur des dettes à long terme originales contractées à l'égard de la province par la Commission des valeurs mobilières du Manitoba.
- Augmentation de 1 202 000 $ (2000 – baisse de 1 211 000 $) du solde des dettes à long terme, qui passent à 9 112 000 $ (2000 – 7 910 000 $).
- Pouvoir global de 20 370 000 $ (2000 – 18 570 000 $) en avances de fonds de roulement à tout moment, dont 8 746 000 $ (2000 – 7 412 000 $) avaient été utilisés à la fin de l'exercice.
- Transfert de 13 125 000 $ (2000 – 8 140 000 $), à titre de surplus désignés, au Fonds consolidé, au nom de l'Organisme chargé des véhicules gouvernementaux (2 000 000 $), de l'Organisme chargé de la distribution du matériel (525 000 $), du Bureau de l'état civil (700 000 $), du Bureau du contentieux civil (500 000 $), des Services de gestion foncière (500 000 $), de l'Office des compagnies (2 500 000 $), du Bureau du commissaire aux incendies (300 000 $), de l'Office d'enregistrement des titres et des instruments (4 500 000 $) et de la Commission des valeurs mobilières du Manitoba (1 600 000 $).
- Augmentation de 2 311 000 $ (2000 – 2 600 000 $) du solde des bénéfices non répartis, qui passe à 28 756 000 $ (2000 – 26 445 000 $).

Preparations for New Agencies and Subsequent Events

During 2000/01, the Financing Authority did not arrange SOA status for any new agencies. Work with a shortlist of candidates continued into 2001/02.

Préparations pour de nouveaux organismes et des manifestations ultérieures

Durant l'exercice 2000-2001, l'Office de financement n'a organisé le statut d'OSS pour aucun nouvel organisme. Les travaux ont continué dans l'exercice 2001-2002 sur une liste restreinte.

Accomplishments

In the past year, the Chairperson/Coordinator:

- guided the nine next-best candidates along the SOA development process;
- participated on the Steering Committees overseeing evaluation of MERLIN and the Pineland Forest Nursery;
- delivered eight SOA-related seminars, briefings, workshops, and public presentations, including one national event and one international event;
- hosted delegations and responded to enquiries involving four non-government organizations and ten jurisdictions from across Canada and abroad;
- consulted with the Treasury Board of Canada Secretariat on agency development and refinement of the alternative service delivery framework;
- reviewed and advised on 24 common policy and informational matters for SOAs, including revenue sharing; and
- prepared and issued the 1999/2000 Financing Authority annual report.

The World Bank recognized Manitoba's leadership in agency creation and alternative service delivery by requesting the SOA Coordinator to develop a page for its new *Administrative & Civil Service Reform* web site. The "Alternative Service Delivery Mechanisms" page can be found at: http://www1.worldbank.org/publicsector/civilservice/alternative.htm.

Réalisations

Au cours de l'année écoulée, le président/coordonnateur :

- a guidé les neuf meilleurs candidats suivants dans le processus de création des OSS;
- a participé au Comité directeur chargé de superviser l'évaluation de MERLIN et de la Pépinière de la forêt Pineland;
- a donné huit colloques, séances d'information, ateliers et présentations publiques sur les OSS, y compris à l'échelle nationale dans un cas et internationale, dans un autre;
- a accueilli des délégations et répondu à des demandes de renseignements de quatre organismes non gouvernementaux et dix autorités canadiennes et étrangères;
- a consulté le Secrétariat du Conseil du Trésor du Canada au sujet de la création des organismes et de l'amélioration du cadre de diversification des modes de prestation des services;
- a examiné 24 questions de politique et d'information communes relatives aux OSS, y compris au partage des recettes, et formulé un avis à leur sujet;
- a préparé et publié le rapport annuel 1999-2000 de l'Office de financement.

La Banque mondiale a reconnu le leadership du Manitoba dans la création d'organismes et dans la diversification des modes de prestation des services en demandant au coordonnateur des OSS de créer une page pour son nouveau site Web consacré à la réforme de l'administration et de la fonction publique. La page « Alternative Service Delivery Mechanisms » se trouve à : http://www1.worldbank.org/publicsector/civilservice/alternative.htm.

2001/02 Plans

In the coming year, the Chairperson/Coordinator will:

- guide the eight next-best candidates along the development process for potential 2002/03 or subsequent start-up;
- participate on the Steering Committee overseeing evaluation of The Property Registry;
- deliver a minimum of ten SOA-related seminars, briefings, workshops, and public presentations;
- propose forward-looking strategies for SOA development;
- test the alternative service delivery framework;
- recommend a policy on SOA revenue sharing; and
- prepare and issue the 2000/01 Financing Authority annual report.

Plans pour l'exercice 2001-2002

Au cours de l'année à venir, le président/coordonnateur :

- guidera les huit prochains meilleurs candidats dans le processus de création en vue d'une mise sur pied possible en 2002-2003 ou plus tard;
- participera au Comité directeur qui supervise l'évaluation de l'Office d'enregistrement des titres et des instruments;
- donnera au minimum 10 colloques, séances d'information, ateliers et présentations publiques sur les OSS;
- proposera des stratégies prospectives pour la création d'OSS;
- mettra à l'essai le cadre de diversification des modes de prestation des services;
- recommandera une politique en ce qui concerne le partage des recettes des OSS;
- préparera et publiera le rapport annuel 2000-2001 de l'Office de financement.

Agency Results through 2000/01

The following pages profile the operations and performance of the seventeen SOAs operating during the 2000/01 fiscal year. The agencies' 2000/01 annual reports should be consulted for further information.

The SOA balanced scorecard summarizes world-class outcomes in delivering services for Manitobans.

Combined financial results:

- 21% ($26 million) cost-savings to government in 2000/01
- 39% ($31 million) growth in revenues through 2000/01
- 232% ($66 million) growth in assets through 2000/01
- 98% ($11 million) repayment of debt owing to the Province through 2000/01
- 169% ($30 million) return on Manitoba's contributed equity through 2000/01
- $46 million in surpluses committed to the provincial treasury through 2001/02.

Private sector economic development:

- 361 employment opportunities through 2000/01
- $140 million in current and future years' sales, R&D, cost-savings, and investment through 2000/01.

Improved service (averaged across SOAs reporting relevant metrics):

- 98% on-time response to client requests in 2000/01
- 54% increase in service volume through 2000/01
- 109% increase in clientele through 2000/01
- 94% client/stakeholder satisfaction in 2000/01.

Résultats des organismes durant l'exercice 2000-2001

Les pages suivantes établissent le profil des activités et des résultats des 17 OSS opérationnels durant l'exercice 2000-2001. Pour plus de détails, veuillez consulter les rapports annuels des organismes pour l'exercice 2000-2001.

L'équilibre de la structure des OSS résume des résultats de tout premier ordre en ce qui concerne la prestation des services aux Manitobains.

Résultats financiers combinés :

- 21 % (26 millions de dollars) d'économies pour le gouvernement pendant l'exercice 2000-2001
- 39 % (31 millions de dollars) de croissance des recettes pendant l'exercice 2000-2001
- 232 % (66 millions de dollars) de croissance de l'actif pendant l'exercice 2000-2001
- 98 % (11 millions de dollars) de remboursement de la dette à l'égard de la province pendant l'exercice 2000-2001
- 169 % (30 millions de dollars) de rendement sur le capital d'apport du Manitoba pendant l'exercice 2000-2001
- 46 millions de dollars d'excédents versés au Trésor provincial pendant l'exercice 2001-2002.

Développement économique du secteur privé :

- 361 possibilités d'emploi pendant l'exercice 2000-2001
- 140 millions de dollars en ventes, R-D, économies et investissements courants et futurs pendant l'exercice 2000-2001.

Amélioration du service (en moyenne des OSS qui transmettent les paramètres pertinents) :

- 98 % de ponctualité dans les réponses aux demandes de renseignements des clients pendant l'exercice 2000-2001
- 54 % d'augmentation du volume de services pendant l'exercice 2000-2001
- 109 % d'augmentation de la clientèle pendant l'exercice 2000-2001
- 94 % de satisfaction des clients et des personnes intéressées pendant l'exercice 2000-2001.

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Fleet Vehicles Agency	Transportation and Government Services	Dennis Ducharme Chief Operating Officer 626 Henry Avenue Winnipeg, MB R3A 1P7 (204) 945-3680 (204) 957-1109 (fax) dducharme@gov.mb.ca www.fva.gov.mb.ca French Language Services: Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	April 1, 1992	To provide complete vehicle and equipment management services for the Manitoba Government and broader public sector.
Organisme chargé des véhicules gouvernementaux	Voirie et Services gouvernementaux	Dennis Ducharme Directeur général 626, avenue Henry Winnipeg (Manitoba) R3A 1P7 (204) 945-3680 (204) 957-1109 (télécopieur) dducharme@gov.mb.ca www.fva.gov.mb.ca Services en français : Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	1er avril 1992	Fournir des services complets de gestion de l'équipement et des véhicules au gouvernement du Manitoba et au secteur public en général.
Materials Distribution Agency	Transportation and Government Services	Bill Reynolds Acting Chief Operating Officer 1680 Church Avenue Winnipeg, MB R2X 2W9 (204) 945-6043 (204) 948-2737 (fax) breynolds@gov.mb.ca French Language Services: Peter Roberts (204) 945-0391 proberts@gov.mb.ca	April 1, 1993	To provide complete materials management services for the Manitoba Government and broader public sector.
Organisme chargé de la distribution du matériel	Voirie et Services gouvernementaux	Bill Reynolds Directeur général par intérim 1680, avenue Church Winnipeg (Manitoba) R2X 2W9 (204) 945-6043 (204) 948-2737 (télécopieur) breynolds@gov.mb.ca Services en français : Peter Roberts (204) 945-0391 proberts@gov.mb.ca	1er avril 1993	Fournir des services complets de gestion du matériel au gouvernement du Manitoba et au secteur public en général.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars)			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
50	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings	22,618 (19,877) 2,741 (2,000) 10,644	22,135 (19,767) 2,368 (2,000) 10,353	• 10% average annual return on sales • $8.2 million long-term debt retired fifteen years ahead of schedule • 20% fewer vehicles in fleet by 1995, resulting in $5 million annual cost-saving • 5% below market rates, resulting in $850,000 price break to client departments • 31% decrease in days sales in receivables in 2001 • >90% productivity on shop floor for maintenance and repairs • <1% client comeback rate • 100% client retention following conversion to optional services in 1996
50	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis	22 618 (19 877) 2 741 (2 000) 10 644	22 135 (19 767) 2 368 (2 000) 10 353	• 10 % de rendement moyen annuel sur les ventes • 8,2 millions de dollars de dettes à long terme remboursées avec 15 ans d'avance sur l'échéancier • 20 % de moins de véhicules dans le parc en 1995, soit une économie annuelle de 5 millions de dollars • 5 % en dessous des taux du marché, soit une économie de 850 000 $ pour les ministères clients • 31 % de réduction du délai moyen de règlement des comptes clients en 2001 • >90 % de productivité dans les ateliers pour l'entretien et les réparations • <1% des clients reviennent • 100 % des clients conservés après la conversion aux services facultatifs, en 1996
55	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings	19,095 (18,138) 957 (525) 3,847	15,693 (15,044) 649 (525) 3,625	• $732,200 original and $513,600 subsequent long-term debt retired six and three years ahead of schedule, respectively • $126,000 sales volume discounts for preferred clients in 2000 • $286,000 price break to clients • $480,000 annual cost-saving in cutting supplier cheques • 118% increase in public sector client base to 3,712 customers • 30,000 new public clients under Home Care Equipment and Supplies Program in 1997 • 215% increase in sales • >98% response to orders within time standards • 99% supply of in-stock items
55	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis	19 095 (18 138) 957 (525) 3 847	15 693 (15 044) 649 (525) 3 625	• 732 200 $ de dettes originales et 513600 $ de dettes ultérieures à long terme remboursées avec six et trois ans d'avance sur l'échéancier, respectivement • 126 000 $ d'escompte sur le volume de ventes aux clients privilégiés en l'an 2000 • 286 000 $ de réduction aux clients • 480 000 $ d'économies annuelles en réduisant les chèques aux fournisseurs • 118 % d'augmentation de la clientèle du secteur public, qui passe à 3 712 clients • 30 000 nouveaux clients publics dans le cadre du *Home Care Equipment and Supplies Program* en 1997 • 215 % d'augmentation des ventes • >98 % des commandes honorées dans les délais normaux • 99 % de fourniture d'articles en stock

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Organization and Staff Development	Civil Service Commission	Herb Robertson Director 935 - 155 Carlton Street Winnipeg, MB R3C 3H8 (204) 945-4865 (204) 948-2165 (fax) hrobertson@gov.mb.ca www.gov.mb.ca/csc/osd French Language Services: Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	April 1, 1994	To provide training and consulting services that support implementation of corporate human resource priorities and that improve organization effectiveness in the Manitoba Government and broader public sector.
Organisme chargé du perfectionnement et de la formation	Commission de la fonction publique	Herb Robertson Directeur 155, rue Carlton, bureau 935 Winnipeg (Manitoba) R3C 3H8 (204) 945-4865 (204) 948-2165 (télécopieur) hrobertson@gov.mb.ca www.gov.mb.ca/csc/osd Services en français : Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	1er avril 1994	Fournir des services de formation et de conseils en appui à la mise en œuvre des priorités en matière de ressources humaines ministérielles et de façon à améliorer l'efficacité organisationnelle du gouvernement du Manitoba et du secteur public en général.
Vital Statistics Agency	Consumer and Corporate Affairs	Caroline Kaus Director 254 Portage Avenue Winnipeg, MB R3C 0B6 (204) 945-8178 (204) 945-0424 (fax) ckaus@gov.mb.ca French Language Services: Doreen Payette (204) 945-5500 dpayette@gov.mb.ca	April 1, 1994	To register and issue certificates for all vital events occurring in Manitoba, including births, marriages, deaths, stillbirths, and changes of name.
Bureau de l'état civil	Consommation et Corporations	Caroline Kaus Directrice 254, avenue du Portage Winnipeg (Manitoba) R3C 0B6 (204) 945-8178 (204) 945-0424 (télécopieur) ckaus@gov.mb.ca Services en français : Doreen Payette (204) 945-5500 dpayette@gov.mb.ca	1er avril 1994	Enregistrer et délivrer des certificats pour tous les événements démographiques qui surviennent au Manitoba, y compris les naissances, les mariages, les décès, les enfants morts-nés et les changements de nom.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars)			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
8	Revenue	1,207	1,094	• 51% increase in client engagements
	Expenses	(1,129)	(1,086)	• 282% increase in customized training and consulting projects
	Net Income (Loss)	78	8	• 103% increase in vendor partnerships, from 35% to 71% of engagements
	Retained Earnings	260	252	• 89% client satisfaction rating, with <1% refunds in 2001
8	Recettes	1 207	1 094	• 51 % de contrats de plus avec des clients
	Dépenses	(1 129)	(1 086)	• 282 % d'augmentation des projets de formation et de consultation sur mesure
	Résultat net (Perte)	78	8	• 103 % d'augmentation des partenariats avec les fournisseurs, qui passent de 35 % à 71 % des contrats
	Bénéfices non répartis	260	252	• 89 % de satisfaction de la clientèle, avec <1% de remboursements en 2001
32.5	Revenue	2,401	2,390	• 26% improvement in registration response times to 3.7 days in 2000
	Expenses	(2,218)	(2,250)	• 83% immediate response to clients on status of service applications in 2001
	Net Income (Loss)	183	140	• 100% conversion of irreplaceable vital events records to microfilm
	Revenue Sharing	(700)	(700)	• December 2000 launch of commemorative certificates
	Retained Earnings	1,101	988	• legislative rewrite of The Vital Statistics Act in 2001
32,5	Recettes	2 401	2 390	• 26 % d'amélioration des délais d'enregistrement, qui sont passés à 3,7 jours en l'an 2000
	Dépenses	(2 218)	(2 250)	• 83 % de réponses immédiates aux clients sur l'état des demandes de service en 2001
	Résultat net (Perte)	183	140	• 100 % de conversion sur microfilm des enregistrements des données de l'état civil irremplaçables
	Partage des recettes	(700)	(700)	• Décembre 2000 : lancement des certificats commémoratifs
	Bénéfices non répartis	1 101	988	• refonte de la Loi sur les statistiques de l'état civil en 2001

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Civil Legal Services	Justice	Tom Hague Director 730 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2846 (204) 948-2041 (fax) thague@gov.mb.ca French Language Services: Denis Guénette (204) 945-5183 dguenette@gov.mb.ca	April 1, 1995	To provide legal services that meet the needs of the Manitoba Government and its agencies, boards, commissions, and Crown corporations.
Bureau du contentieux civil	Justice	Tom Hague Directeur 405 Broadway, bureau 730 Winnipeg (Manitoba) R3C 3L6 (204) 945-2846 (204) 948-2041 (télécopieur) thague@gov.mb.ca Services en français : Denis Guénette (204) 945-5183 dguenette@gov.mb.ca	1er avril 1995	Fournir des services juridiques qui répondent aux besoins du gouvernement du Manitoba et de ses organismes, conseils, commissions et sociétés d'État.
Manitoba Education, Research and Learning Information Networks (MERLIN)	Education, Training and Youth	Greg Baylis Chief Operating Officer 815 – 1661 Portage Avenue Winnipeg, MB R3J 3T7 (204) 945-3206 (204) 948-2222 (fax) gbaylis@merlin.mb.ca www.merlin.mb.ca French Language Services: Colette Lafond-D'Heilly (204) 945-1228 cdheilly@merlin.mb.ca	April 1, 1995	To coordinate and support the educational use of technology by Manitoba students in elementary, post-secondary, and other training facilities.
Les Réseaux informatiques en apprentissage et en recherche pédagogique du Manitoba (MERLIN)	Éducation, Formation et Jeunesse	Greg Baylis Directeur général 1661, avenue du Portage, bureau 815 Winnipeg (Manitoba) R3J 3T7 (204) 945-3206 (204) 948-2222 (télécopieur) gbaylis@merlin.mb.ca www.merlin.mb.ca Services en français : Colette Lafond-D'Heilly (204) 945-1228 cdheilly@merlin.mb.ca	1er avril 1995	Coordonner et appuyer l'utilisation à des fins pédagogiques de la technologie par les étudiants des écoles élémentaires, post-secondaires et autres du Manitoba.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars)			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
56	Revenue	4,199	4,109	• $4.2 million cost-saving to government in 2001
	Expenses	(3,765)	(3,987)	• 50% volume/productivity increase
	Net Income (Loss)	434	122	• 100% client satisfaction rating in 2001
	Revenue Sharing	(500)	(500)	
	Retained Earnings	435	181	
56	Recettes	4 199	4 109	• 4,2 millions de dollars d'économie pour le gouvernement en 2001
	Dépenses	(3 765)	(3 987)	• 50 % d'augmentation du volume et de la productivité
	Résultat net (Perte)	434	122	• 100 % de satisfaction de la clientèle en 2001
	Partage des recettes	(500)	(500)	
	Bénéfices non répartis	435	181	
18	Revenue	1,757	1,620	• 40% reduction in funding under departmental service agreement
	Expenses	(1,773)	(1,628)	• $435,930 cost-saving to education sector for audio conferencing and software licensing in 2001
	Net Income (Loss)	(16)	(8)	• $8 million Manitoba Learning Network project involving nineteen school divisions
	Accumulated Deficit	(350)	(515)	• $2.7 million post-secondary project, involving seven universities and colleges
				• 95% client satisfaction rating on factors/lines of service in 2001
18	Recettes	1 757	1 620	• 40 % de réduction du financement dans le cadre de la convention de services ministérielle
	Dépenses	(1 773)	(1 628)	• 435 930 $ d'économies pour le secteur de l'éducation pour les conférences téléphoniques et les permis d'utilisation de logiciels en 2001
	Résultat net (Perte)	(16)	(8)	• Projet de 8 millions de dollars du Réseau d'apprentissage du Manitoba regroupant 19 divisions scolaires
	Déficit accumulé	(350)	(515)	• Projet post-secondaire de 2,7 millions de dollars regroupant sept universités et collèges
				• 95 % de satisfaction de la clientèle en ce qui concerne les facteurs et les gammes de services en 2001

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Land Management Services	Transportation and Government Services	Rae Csversko Chief Operating Officer 308 – 25 Tupper Street North Portage la Prairie, MB R1N 3K1 (204) 239-3561 (204) 239-3560 (fax) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca French Language Services: Annette Lesage (204) 239-3510 alesage@gov.mb.ca	April 1, 1995	To provide complete real estate services for the Manitoba Government and broader public sector.
Services de gestion foncière	Voirie et Services gouvernementaux	Rae Csversko Directeur général 25, rue Tupper nord, bureau 308 Portage la Prairie (Manitoba) R1N 3K1 (204) 239-3561 (204) 239-3560 (télécopieur) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca Services en français : Annette Lesage (204) 239-3510 alesage@gov.mb.ca	1er avril 1995	Fournir au gouvernement du Manitoba et au secteur public en général des services complets en ce qui a trait aux biens immobiliers.
Pineland Forest Nursery	Conservation	Ivan Balenovic Chief Executive Officer Box 45 Hadashville, MB R0E 0X0 (204) 426-5235 (204) 426-2106 (fax) ibalenovic@gov.mb.ca www.pinelandforestnursery.com French Language Services: Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	April 1, 1995	To make a direct contribution to the success of reforestation programs by continually improving and supplying superior quality products and services to clients in Canada and the United States.
Pépinière de la forêt Pineland	Conservation	Ivan Balenovic Directeur général Boîte 45 Hadashville (Manitoba) R0E 0X0 (204) 426-5235 (204) 426-2106 (télécopieur) ibalenovic@gov.mb.ca www.pinelandforestnursery.com Services en français : Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	1er avril 1995	Contribuer directement au succès des programmes de reboisement en fournissant constamment des produits et des services de qualité supérieure sans cesse améliorée à des clients se trouvant au Canada et aux États-Unis.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars)			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
25.5	Revenue	3,178	2,854	• $9.9 million annualized cost-saving in grants-in-lieu of taxes from assessment reviews, with $6.2 million in refunds and $198 million in tax assessment reduction • $4.6 million new revenue from sale or lease of surplus government land and buildings • $1.7 million price break on market rates • 167% increase in clients
	Expenses	(2,235)	(2,316)	
	Net Income (Loss)	943	538	
	Revenue Sharing	(500)	(500)	
	Retained Earnings	973	360	
25,5	Recettes	3 178	2 854	• 9,9 millions de dollars d'économies annualisées en subventions tenant lieu de taxes provenant de l'examen d'évaluations, et 6,2 millions de dollars de remboursements et 198 millions de dollars de réduction sur les avis d'imposition • 4,6 millions de dollars de nouvelles recettes tirées de la vente ou de la location à bail de terres et d'édifices publics excédentaires • 1,7 million de dollars de réduction par rapport aux taux du marché • 167 % d'augmentation du nombre de clients
	Dépenses	(2 235)	(2 316)	
	Résultat net (Perte)	943	538	
	Partage des recettes	(500)	(500)	
	Bénéfices non répartis	973	360	
47.69	Revenue	3,528	3,609	• 330% increase in private sector revenue • 69% increase in production capacity to 22 million seedlings • 171% increase in number of clients to 19 • 1,000% increase in seed processing • 102% achievement of planting targets in 2001 • 98% achievement of quality standards in 2001
	Expenses	(3,575)	(3,591)	
	Net Income (Loss)	(47)	18	
	Retained Earnings	687	784	
47,69	Recettes	3 528	3 609	• 330 % d'augmentation de recettes provenant du secteur privé • 69 % d'augmentation de la capacité de production, qui est portée à 22 millions de semis • 171 % d'augmentation du nombre de clients, qui passe à 19 • 1 000 % d'augmentation dans le traitement des semences • 102 % de réussite par rapport aux objectifs de plantation en 2001 • 98 % de réussite par rapport aux normes de qualité en 2001
	Dépenses	(3 575)	(3 591)	
	Résultat net (Perte)	(47)	18	
	Bénéfices non répartis	687	784	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Companies Office	Consumer and Corporate Affairs	Myron Pawlowsky Chief Operating Officer 1010 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-4206 (204) 945-1459 (fax) mpawlowsky@gov.mb.ca www.gov.mb.ca/cca/comp_off/index.html French Language Services: Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	April 1, 1996	To register and search the names of all businesses and corporations operating in Manitoba.
Office des compagnies	Consommation et Corporations	Myron Pawlowsky Directeur général 405 Broadway, bureau 1010 Winnipeg (Manitoba) R3C 3L6 (204) 945-4206 (204) 945-1459 (télécopieur) mpawlowsky@gov.mb.ca www.gov.mb.ca/cca/comp_off/index.html Services en français : Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	1er avril 1996	Enregistrer et chercher le nom de toutes les entreprises et sociétés travaillant au Manitoba.
Manitoba Text Book Bureau	Education, Training and Youth	Lanny Kingerski Chief Operating Officer 130 - 1st Avenue West P.O. Box 910 Souris, MB R0X 2C0 (204) 483-4040 (204) 483-3441 (fax) lkingerski@gov.mb.ca www.gov.mb.ca/metks4/curricul/learners/mtbb French Language Services: Shantel Plett (800) 305-5515 splett@gov.mb.ca	April 1, 1996	To provide Manitoba schools with cost-effective educational learning resources and related products recommended by the Department of Education and Training.
Centre des manuels scolaires du Manitoba	Éducation, Formation et Jeunesse	Lanny Kingerski Directeur général 130, 1re Avenue ouest B.P 910 Souris (Manitoba) R0X 2C0 (204) 483-4040 (204) 483-3441 (télécopieur) lkingerski@gov.mb.ca www.gov.mb.ca/metks4/curricul/learners/mtbb Services en français : Shantel Plett (800) 305-5515 splett@gov.mb.ca	1er avril 1996	Fournir aux écoles du Manitoba, et à un coût économique, des ressources éducatives et des produits connexes recommandés par le ministère de l'Éducation et de la Formation.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars)			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
32	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings	3,762 (1,886) 1,876 (2,500) 1,607	3,423 (2,432) 991 (2,500) 421	• 56% increase in client on-line information searches • 95% client satisfaction rating in 2001 • 92% client satisfaction with personal telephone services in 2001 • 27% decrease in average service cycle time in 1998
32	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis	3 762 (1 886) 1 876 (2 500) 1 607	3 423 (2 432) 991 (2 500) 421	• 56 % d'augmentation du nombre de recherches de renseignements par des clients en ligne • 95 % de satisfaction de la clientèle en 2001 • 92 % de satisfaction de la clientèle en ce qui concerne les services personnels par téléphone en 2001 • 27 % de réduction dans la durée moyenne du cycle de service en 1998
10.35	Revenue Expenses Net Income (Loss) Retained Earnings	8,214 (8,217) (3) 82	7,985 (7,978) 7 92	• $722,000 cost-saving to government through full cost accounting, bulk purchasing of learning resources, and reduced warehousing costs • 39% increase in sales • 55% increase in client on-line searches in 2001 • 95% client satisfaction rating in 2000
10,35	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis	8 214 (8 217) (3) 82	7 985 (7 978) 7 92	• 722 000 $ d'économies pour le gouvernement grâce à la capitalisation du coût complet, à l'achat en gros de ressources éducatives et à des frais d'entreposage réduits • 39 % d'augmentation des ventes • 55 % d'augmentation du nombre de recherches de renseignements par des clients en ligne en 2001 • 95 % de satisfaction de la clientèle en l'an 2000

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Mail Management Agency	Transportation and Government Services	Don Katz Chief Operating Officer Lower Level, 200 Vaughan Street Winnipeg, MB R3C 1T5 (204) 945-4668 (204) 945-5753 (fax) dkatz@gov.mb.ca French Language Services: Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	April 1, 1996	To provide centralized mail services to the Manitoba Government and broader public sector, enabling clients to expedite their products, information, and correspondence through the most appropriate distribution channels.
Organisme de gestion du courrier	Voirie et Services gouvernementaux	Don Katz Directeur général 200, rue Vaughan, niveau inférieur Winnipeg (Manitoba) R3C 1T5 (204) 945-4668 (204) 945-5753 (télécopieur) dkatz@gov.mb.ca Services en français : Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	1er avril 1996	Fournir des services de courrier centralisés au gouvernement du Manitoba et au secteur public en général, afin de permettre aux clients d'expédier leurs produits, leur information et leur correspondance par les réseaux de distribution les plus appropriés.
Industrial Technology Centre	Industry, Trade and Mines	Trevor Cornell Chief Operating Officer 1329 Niakwa Road East Winnipeg, MB R2J 3T4 (204) 945-6126 (204) 945-1784 (fax) tcornell@itc.mb.ca www.itc.mb.ca French Language Services: Trevor Cornell (above)	April 1, 1996	To provide a wide range of technical services to business, industry, and government in support of technology-based economic development in Manitoba.
Centre de technologie industrielle	Industrie, Commerce et Mines	Trevor Cornell Directeur général 1329, route Niakwa est Winnipeg (Manitoba) R2J 3T4 (204) 945-6126 (204) 945-1784 (télécopieur) tcornell@itc.mb.ca www.itc.mb.ca Services en français : Trevor Cornell (ci-dessus)	1er avril 1996	Fournir toute une gamme de services techniques aux entreprises, à l'industrie et au gouvernement, en appui à un développement économique du Manitoba fondé sur la technologie.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars)			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
25.03	Revenue	6,085	5,837	• $500,000 cost-saving from courier contract administration • $125,000 cost-saving from ad-mail incentive mailings • $100,000 cost-saving under interdepartmental mail stamp system in 2001 • 17% volume increase in mail finishing in 2001 • >99% on-time completion of mail processing activities • 99% on-time completion of mail finishing projects
	Expenses	(6,022)	(5,725)	
	Net Income (Loss)	63	112	
	Retained Earnings	488	768	
25,03	Recettes	6 085	5 837	• 500 000 $ d'économies dans la gestion du contrat de messagerie • 125 000 $ d'économues dans les envois postaux publicitaires • 100 000 $ d'économies grâce au système d'affranchissement interministériel en 2001 • 17 % d'augmentation du volume de finition du courrier en 2001 • >99 % d'exécution ponctuelle des activités de traitement du courrier • 99 % d'exécution ponctuelle des projets de finition du courrier
	Dépenses	(6 022)	(5 725)	
	Résultat net (Perte)	63	112	
	Bénéfices non répartis	488	768	
33.4	Revenue	3,085	2,965	• 72% increase in fee-for-service revenue • 33% reduction in funding under departmental contribution agreement • 94% customer satisfaction in 2001 • 66 new jobs created in private sector • 115 jobs saved/maintained in private sector in 2001 • $137 million economic development impact in private sector salaries, sales, R&D, cost-savings, and investment
	Expenses	(2,845)	(2,948)	
	Net Income (Loss)	240	17	
	Retained Earnings	1,162	964	
33,4	Recettes	3 085	2 965	• 72 % d'augmentation des recettes tirées de la rémunération des services • 33 % de réduction du financement dans le cadre de l'accord de contribution ministériel • 94 % de satisfaction de la clientèle en 2001 • 66 emplois créés dans le secteur privé • 115 emplois sauvés/maintenus dans le secteur privé en 2001 • 137 millions de dollars de retombées économiques sur le secteur privé sous forme de salaires, de ventes, de R-D, d'économies et d'investissements
	Dépenses	(2 845)	(2 948)	
	Résultat net (Perte)	240	17	
	Bénéfices non répartis	1 162	964	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
The Public Trustee	Justice	Anne Bolton Public Trustee 13th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2703 (204) 948-2251 (fax) abolton@gov.mb.ca French Language Services: Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	April 1, 1996	To provide professional and cost-effective trustee services of last resort that meet client needs and protect the interests of Manitobans.
Le curateur public	Justice	Anne Bolton Curatrice publique 405 Broadway, 13e étage Winnipeg (Manitoba) R3C 3L6 (204) 945-2703 (204) 948-2251 (télécopieur) abolton@gov.mb.ca Services en français : Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	1er avril 1996	Fournir des services de curateur de dernier recours, professionnels et rentables, qui répondent aux besoins des clients et protègent les intérêts des Manitobains.
Office of the Fire Commissioner	Labour and Immigration	Doug Popowich Fire Commissioner c/o 508 - 401 York Avenue Winnipeg, MB R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (fax) dpopowich@gov.mb.ca French Language Services: Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	April 1, 1996	To safeguard persons and property in Manitoba from fire and life safety hazards through education, investigation, emergency response, and code application.
Bureau du commissaire aux incendies	Travail et Immigration	Doug Popowich Commissaire aux incendies a.b.s. 401, avenue York, bureau 508 Winnipeg (Manitoba) R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (télécopieur) dpopowich@gov.mb.ca Services en français : Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	1er avril 1996	Protéger les biens et les personnes au Manitoba contre les incendies et les dangers posés à la sécurité des personnes, en éduquant le public, en procédant à des enquêtes, en intervenant en cas d'urgence et en appliquant les codes en vigueur.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars)			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
75.86	Revenue Expenses Net Income (Loss) Retained Earnings/ Reserves	4,511 (4,421) 90 1,415	4,503 (4,563) (60) 1,322	• 6% administration fee levied on client estates eliminated in 1998 • inspection and warehouse storage fees restructured for cost recovery in 2001 • 80% stakeholder satisfaction rating in 1999
75,86	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis/réserves	4 511 (4 421) 90 1 415	4 503 (4 563) (60) 1 322	• Élimination, en 1998, des 6 % de frais d'administration perçus sur le patrimoine des clients • Restructuration des frais d'inspection et d'entreposage aux fins de recouvrement des coûts en 2001 • 80 % de satisfaction des parties intéressées en 1999
51.4	Revenue Expenses Net Income (Loss) Revenue Sharing Accumulated Deficit	5,527 (5,636) (109) (300) (710)	5,481 (5,205) 276 (300) 92	• $2 billion saving in property loss due to fire containment and suppression • $286,000 in annual cost-savings for office closures, reduced administrative overhead, and prioritized capital investment • 476% increase in tuition and contract revenues • 37% increase in students trained at Emergency Services College • $250,000 in corporate sponsorship of Brandon practical training site in 1998 • 38% increase in building inspections in 2001 • 83% of fires investigated resulted in determination of cause
51,4	Recettes Dépenses Résultat net (Perte) Partage des recettes Déficit accumulé	5 527 (5 636) (109) (300) (710)	5 481 (5 205) 276 (300) 92	• 2 milliards de dollars d'économies en pertes matérielles grâce au confinement et à l'extinction d'incendies • 286 000 $ d'économies annuelles grâce à la fermeture de bureaux, à la réduction des frais généraux administratifs et à des investissements effectués par ordre de priorité • 476 % d'augmentation des recettes tirées de cours et de contrats • 37 % d'augmentation du nombgre des étudiants formés au Emergency Services College • 250 000 $ en parrainage par les entreprises pour le centre de formation pratique de Brandon en 1998 • 38 % d'augmentation du nombre d'inspections des bâtiments en 2001 • 83 % des enquêtes menées ont permis de déterminer la cause des incendies

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Food Development Centre	Agriculture and Food	Dave Donaghy Chief Executive Officer c/o 810 Phillips Street Portage la Prairie, MB R1N 3J9 (204) 945-3736 (204) 945-5218 (fax) ddonaghy@gov.mb.ca www.fdc.mb.ca French Language Services: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	April 1, 1996	To provide leading-edge technical leadership in a proactive manner, in the creation, expansion, and diversification of the agri-food industry within Manitoba, which will generate wealth for Manitoba and Manitobans.
Centre de développement des produits alimentaires	Agriculture et Alimentation	Dave Donaghy Directeur général a.b.s. 810, rue Phillips Portage la Prairie (Manitoba) R1N 3J9 (204) 945-3736 (204) 945-5218 (télécopieur) ddonaghy@gov.mb.ca www.fdc.mb.ca Services en français: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	1er avril 1996	Fournir un leadership technique de pointe de manière proactive, dans la création, l'expansion et la diversification de l'industrie agro-alimentaire au Manitoba, ce qui créera des richesses pour la province et ses habitants.
The Property Registry	Consumer and Corporate Affairs	Rick Wilson Registrar General 14th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2243 (204) 948-3276 (fax) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html French Language Services: Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	April 1, 1997	To maintain land records, issue certifications of titles to land, and provide the public with reliable information on financial interests in personal property in Manitoba.
Office d'enregistrement des titres et des instruments	Consommation et Corporations	Rick Wilson Registraire général 405 Broadway, 14e étage Winnipeg (Manitoba) R3C 3L6 (204) 945-2243 (204) 948-3276 (télécopieur) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html Services en français : Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	1er avril 1997	Tenir à jour les documents relatifs aux terres, délivrer des certificats de titre de bien-fonds et fournir au public des renseignements fiables sur les intérêts financiers relatifs aux biens personnels au Manitoba.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars)			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
16	Revenue Expenses Net Income (Loss) Accumulated Deficit	1,604 (1,634) (30) (30)	1,367 (1,367) - -	• 31% increase in fee-for-service revenues in 2001 • 128% increase in individuals trained since 1998 • 93% client satisfaction rating in 1999 • 76 new products developed since 1998 • 135 new employment opportunities created in private sector • $3.4 million economic development impact over five years from 2001 activities
16	Recettes Dépenses Résultat net (Perte) Déficit accumulé	1 604 (1 634) (30) (30)	1 367 (1 367) - -	• 31 % d'augmentation des recettes tirées de la rémunération des services en 2001 • 128 % d'augmentation du nombre des personnes formées depuis 1998 • 93 % de satisfaction de la clientèle en 1999 • 76 nouveaux produits mis au point depuis 1998 • 135 possibilités d'emploi créées dans le secteur privé • 3,4 millions de dollars de retombées économiques sur cinq ans découlant des activités de 2001
165.5	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings	13,611 (10,047) 3,564 (4,500) 3,219	14,368 (11,563) 2,805 (4,500) 1,867	• 25% increase in Personal Property Registry revenues following BSI implementation • 93% hit rate on electronic searches in Winnipeg Land Titles Office • 32% overall improvement on standard client service times in 2001 • 72% improvement on 5-day standard for electronic land titles registrations • 100% preservation of land certificates of title on microfilm • 70% employee satisfaction rating in 2000
165,5	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis	13 611 (10 047) 3 564 (4 500) 3 219	14 368 (11 563) 2 805 (4 500) 1 867	• 25 % d'augmentation des recettes de l'Office d'enregistrement des titres et des instruments après la mise en œuvre du Programme d'amélioration des systèmes (PAS) • 93 % de succès dans les recherches électroniques au Bureau des titres fonciers de Winnipeg • 32 % d'amélioration globale du délai de service normal à la clientèle en 2001 • 72 % d'amélioration sur la norme de cinq jours pour l'enregistrement électronique des titres fonciers • 100 % de préservation des certificats de titre foncier sur microfilm • 70 % de satisfaction des employés en l'an 2000

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Manitoba Securities Commission	Consumer and Corporate Affairs	Don Murray Chairman 1130 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2548 (204) 945-0330 (fax) dmurray@gov.mb.ca French Language Services: Marc Boily (204) 945-1602 mboily@gov.mb.ca	April 1, 1999	To protect Manitoba investors, facilitate raising of capital, and maintain fairness and integrity in the securities marketplace; also, to regulate real estate brokers, salespeople, and mortgage dealers for public protection.
Commission des valeurs mobilières du Manitoba	Consommation et Corporations	Don Murray Président 405 Broadway, bureau 1130 Winnipeg (Manitoba) R3C 3L6 (204) 945-2548 (204) 945-0330 (télécopieur) dmurray@gov.mb.ca Services en français : Marc Boily (204) 945-1602 mboily@gov.mb.ca	1er avril 1999	Protéger les investisseurs manitobains, faciliter les emprunts de capitaux et veiller à l'équité et à l'intégrité du marché des valeurs mobilières, de même que réglementer les courtiers en immeubles, les agents immobiliers et les courtiers d'hypothèque afin de protéger le public.

Staff (FTE) Personnel (ETP)	2000/01 Financial Results ($000) Résultats financiers en 2000-2001 (en milliers de dollars			Key Results through 2000/01 Principaux résultats obtenus au cours de l'exercice 2000-2001
		Actual Réels	Budget Budget	
35	Revenue	7,576	5,076	• $727,600 long-term debt retired four years ahead of schedule
	Expenses	(2,871)	(2,977)	• 44% volume increase in securities activity (orders, filings, registrations)
	Net Income (Loss)	4,705	2,099	• 33% new securities registrants in 2001
	Revenue Sharing	(1,600)	(1,600)	• 68% increase in hits per month on web site in 2001
	Retained Earnings/ Reserves	5,091	2,154	
35	Recettes	7 576	5 076	• 727 600 $ de dettes à long terme remboursées avec quatre ans d'avance sur l'échéancier
	Dépenses	(2 871)	(2 977)	• 44 % d'augmentation du volume d'activité sur les valeurs mobilières (commandes, dépôts, enregistrements)
	Résultat net (Perte)	4 705	2 099	• 33 % de nouveaux courtiers en valeurs mobilières agréés en 2001
	Partage des recettes	(1 600)	(1 600)	• 68 % d'augmentation du nombre d'interrogations du site Web par an en 2001
	Bénéfices non répartis/réserves	5 091	2 154	

Management Report

The accompanying financial statements are the responsibility of the management of the Special Operating Agencies Financing Authority and have been prepared in accordance with generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to July 24, 2001.

Management maintains internal controls to properly safeguard the Financing Authority's assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Provincial Auditor is to express an independent opinion on whether the financial statements of the Financing Authority are fairly presented in accordance with generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

John K. Wilkins
Chairperson,
Special Operating Agencies Financing Authority

July 24, 2001

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Members of the Special Operating Agencies Financing Authority

We have audited the combined balance sheet of the Special Operating Agencies Financing Authority at March 31, 2001 and the combined statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2001 and results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Provincial Auditor

Office of the Provincial Auditor

Winnipeg, Manitoba
July 24, 2001

2001
International Year of Volunteers

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Balance Sheet

(In Thousands)
March 31

	2001	2000
Assets		
Current:		
Cash	$ 2,153	$ 2,496
Term deposits with the Minister of Finance (Note 3)	24,281	19,034
Customer deposits	1,271	1,122
Accounts receivable (Note 4)	11,308	11,528
Inventories	5,173	3,973
Prepaid expenses	1,530	1,502
	45,716	39,655
Capital assets (Note 5)	43,977	41,738
Long-term investment	-	1,500
Receivable from the Province of Manitoba (Note 6)	5,102	5,062
Deferred contributions - Province of Manitoba (Note 9)	-	1,025
	$ 94,795	$ 88,980
Liabilities		
Current:		
Working capital advances (Note 7)	$ 8,746	$ 7,412
Accounts payable and accruals	12,131	10,710
Accounts payable - Province of Manitoba (Note 9)	6,966	-
Unearned revenue	2,009	1,722
Current portion of long-term debt	4,327	5,243
	34,179	25,087
Long-term debt - Province of Manitoba (Note 8)	9,112	7,910
Pension liability (Note 9)	-	7,266
Severance liability (Note 10)	3,916	3,676
	47,207	43,939
Equity (Note 11)		
Contributed equity	17,661	17,661
Reserve funds (Note 12)	1,170	935
Retained earnings	28,756	26,445
	47,588	45,041
	$ 94,795	$ 88,980

Commitments (Note 13)
Contingent liability (Note 14)

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Income and Retained Earnings

(In Thousands)

Year Ended March 31	2001	2000
Special Operating Agencies Financing Authority		
Revenue		
Annual levy	$ 14	$ 11
Treasury Board Secretariat contribution	99	98
	113	109
Expenses		
Salaries and benefits	82	80
Other operating	29	29
	111	109
Financing Authority operations	2	-
Special Operating Agency operations - net income (loss)		
Civil Legal Services	434	44
Companies Office	1,876	1,814
Fleet Vehicles Agency	2,741	2,175
Food Development Centre	(30)	136
Industrial Technology Centre	240	322
Land Management Services	943	193
Mail Management Agency	63	(62)
MERLIN	(16)	120
Manitoba Securities Commission	4,705	2,686
Manitoba Text Book Bureau	(3)	(25)
Materials Distribution Agency	957	685
Office of the Fire Commissioner	(109)	(63)
Organization and Staff Development	78	(60)
Pineland Forest Nursery	(47)	119
The Property Registry	3,564	3,196
The Public Trustee	90	(248)
Vital Statistics Agency	183	143
Net income for the year	15,671	11,175
Retained earnings, beginning of year	26,445	23,845
Transfer of surplus funds to the Province of Manitoba		
Civil Legal Services	(500)	(500)
Companies Office	(2,500)	(1,250)
Fleet Vehicles Agency	(2,000)	(2,000)
Land Management Services	(500)	(500)
Manitoba Securities Commission	(1,600)	(700)
Materials Distribution Agency	(525)	(200)
Office of the Fire Commissioner	(300)	-
The Property Registry	(4,500)	(2,800)
Vital Statistics Agency	(700)	(190)
Reserve fund - Manitoba Securities Commission (Note 12)	(235)	(435)
Retained earnings, end of year	$ 28,756	$ 26,445

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Cash Flows

(In Thousands)
Year Ended March 31

	2001	2000
Cash derived from (applied to):		
Operating		
Net income	$ 15,671	$ 11,175
Amortization	8,487	8,289
Gain on disposal of capital assets	(762)	(453)
	23,396	19,011
Change in:		
Customer deposit accounts	(149)	(199)
Accounts receivable	220	1,786
Inventories	(1,200)	540
Prepaid expenses	(28)	313
Deferred contributions - Province of Manitoba	1,025	-
Accounts payable and accruals	8,387	(1,642)
Pension liability	(7,266)	2,037
Severance liability	240	205
Unearned revenue	287	179
Cash derived from operating activities	24,912	22,230
Investing		
Proceeds from disposal of capital assets	1,883	1,130
Acquisition of capital assets	(11,846)	(12,217)
Long-term investment	1,500	-
Cash applied to investing activities	(8,463)	(11,087)
Financing		
Proceeds from long-term debt - Province of Manitoba	5,650	4,128
Long-term debt repayments	(5,364)	(3,889)
Transfer of surplus funds to the Province of Manitoba	(13,125)	(8,140)
Receivable from the Province of Manitoba	(40)	(190)
Cash derived from financing activities	(12,879)	(8,091)
Increase in cash	3,570	3,052
Cash: Beginning of year	14,118	11,066
End of year	$ 17,688	$ 14,118
Represented by:		
Cash	$ 2,153	$ 2,496
Term deposits with the Minister of Finance	24,281	19,034
Working capital advances	(8,746)	(7,412)
	$ 17,688	$ 14,118

See accompanying notes to the financial statements.

1. Nature of organization

The Special Operating Agencies Financing Authority (the "Financing Authority") is a body corporate established effective April 1, 1992 under ***The Special Operating Agencies Financing Authority Act.*** Under the direction of the Minister of Finance, the Financing Authority consists of the Chairperson as its sole member and receives staff support from the Department of Finance.

The Financing Authority provides a mechanism for funding Special Operating Agencies (SOAs) that operate outside the Consolidated Fund. It functions as a non-operating holding company, with the mandate to hold and acquire assets required for and resulting from SOA operations. It finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like manner within government policy expectations.

SOAs are designated by regulation under the Act and operate under a charter approved by the Lieutenant Governor in Council. A management agreement between the Financing Authority and the Minister responsible for each SOA assigns responsibility to the agency to manage and account for SOA-related assets and operations on behalf of the Financing Authority. SOAs remain accountable to their Minister for the results they achieve with the authority and resources granted.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

SOAs in operation during the fiscal year ended March 31, 2001 were as follows:

Civil Legal Services, Department of Justice
Companies Office, Department of Consumer and Corporate Affairs
Fleet Vehicles Agency, Department of Transportation and Government Services
Food Development Centre, Department of Agriculture and Food
Industrial Technology Centre, Department of Industry, Trade and Mines
Land Management Services, Department of Transportation and Government Services
Mail Management Agency, Department of Transportation and Government Services
Manitoba Education, Research and Learning Information Networks (MERLIN), Department of Education, Training and Youth
Manitoba Securities Commission, Department of Consumer and Corporate Affairs
Manitoba Text Book Bureau, Department of Education, Training and Youth
Materials Distribution Agency, Department of Transportation and Government Services
Office of the Fire Commissioner, Department of Labour and Immigration
Organization and Staff Development, Civil Service Commission
Pineland Forest Nursery, Department of Conservation
The Property Registry, Department of Consumer and Corporate Affairs
The Public Trustee, Department of Justice
Vital Statistics Agency, Department of Consumer and Corporate Affairs.

2. Significant accounting policies

The financial statements of the Financing Authority are presented in accordance with generally accepted accounting principles.

Basis of reporting

The financial statements of the Financing Authority reflect the financial position and operating results of SOAs currently governed by management agreements with the Financing Authority. These statements are presented on a combined basis. Therefore, inter-agency balances and transactions have not been eliminated.

The following policies apply to the Financing Authority, as well as to all agencies combined herein.

Amortization of capital assets

Vehicles, fire engines	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Equipment and furniture	20 - 33%, straight line
	20%, declining balance
Computer equipment and software	20%, straight line
Rental equipment (Materials Distribution Agency)	2, 3, or 5 years, straight line
Buildings	5 - 40 years, straight line
Practical training site (Office of the Fire Commissioner)	20 years, straight line
Leasehold improvements	3 - 10 years, straight line
Other assets	3 years, straight line

Inventories

Inventories are valued at the lower of cost and market value.

3. Term deposits with the Minister of Finance

Term investments are segregated as follows:

	2001	2000
Operating funds	$24,281	$13,262
Pension liability funds (Note 9)	-	5,772
	$24,281	$19,034

4. Accounts receivable

	2001	2000
Trade	$10,820	$10,469
Recoverable infrastructure expenditures	64	602
Insurance agency rebate	271	260
Other	153	197
	$11,308	$11,528

The trade receivables are mostly due from the Province of Manitoba.

Recoverable infrastructure expenditures relate to outlays made by MERLIN that are recoverable under the Canada/Manitoba Infrastructure Works Program.

The insurance agency rebate is for discounts receivable by the Fleet Vehicles Agency from the Manitoba Public Insurance Corporation based on favourable claims experience for the Province's vehicle fleet in the previous insurance year.

5. Capital assets

			2001	2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles, fire engines	$56,170	$26,440	$29,730	$26,712
Equipment and furniture	7,593	4,223	3,370	3,330
Computer equipment and software	3,913	1,925	1,988	2,226
Buildings	7,724	2,026	5,698	5,994
Practical training site	1,887	285	1,602	1,573
Leasehold improvements	1,147	588	559	557
Other assets	1,658	628	1,030	1,346
	$80,092	$36,115	$43,977	$41,738

6. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as SOAs. It also includes severance pay benefits earned by SOA employees to March 31, 1998, as well as the benefits accumulated by the employees of the Manitoba Securities Commission prior to March 31, 1999. The balance is comprised of:

	2001	2000
Vacation entitlements	$1,766	$1,726
Severance pay benefits	3,336	3,336
	$5,102	$5,062

7. Working capital advances

The Minister of Finance, with Lieutenant-Governor-in-Council approval by Orders in Council 747/1992, 242/1994, 152/1995, 151/1996, 136/1997, 168/1998, and 129/2000, has arranged for working capital advances to be available to the Financing Authority. The aggregate of the outstanding advances is not to exceed $20,370 (2000 - $18,570) at any one time. As at March 31, 2001, $11,624 (2000 - $11,158) of these advances was unused and available.

8. Long-term debt - Province of Manitoba

		2001	2000
7%	repayable in semi-annual instalments of $601 principal and interest, maturing in 2001	$ -	$ 1,142
7.125%	repayable in semi-annual instalments of $181 principal and interest, maturing in 2001	-	343
5.5%	repayable in semi-annual instalments of $289 principal and interest, maturing in 2002	822	1,335
6%	repayable in semi-annual instalments of $469 principal and interest, maturing in 2002	897	1,743
5.875%	repayable in semi-annual instalments of $316 principal and interest, maturing in 2003	1,175	1,713
5.625%	repayable in annual instalments of $171 principal and interest, maturing in 2004	-	598
5.5%	repayable in semi-annual instalments of $232 principal and interest, maturing in 2004	1264	1,642
6%	repayable in semi-annual instalments of $141 principal and interest, maturing in 2004	762	988
9%	repayable in annual instalments of $55 principal and interest, maturing in 2005	180	249
6.875%	repayable in semi-annual instalments of $408 principal and interest, maturing in 2005	2,809	3,400
6.625%	repayable in semi-annual instalments of $167 principal and interest, maturing in 2005	1,280	-
5.75%	repayable in semi-annual instalments of $495 principal and interest, maturing in 2006	4,250	-
		13,439	13,153
Amount due within one year		4,327	5,243
		$ 9,112	$ 7,910

8. Long-term debt - Province of Manitoba (continued)

Principal repayments in each of the next five years are as follows:

2002	$4,327
2003	3,351
2004	2,620
2005	2,030
2006	1,111

The Financing Authority may elect to repay long-term debt, or portions thereof, prior to maturity.

As at March 31, 2001, the Financing Authority had $2,050 remaining in loan authority under ***The Loan Act, 2000***. On July 5, 2001, ***The Loan Act, 2001*** received Royal Assent. The original loan authority under each of these Acts was:

	The Loan Act, 2001	***The Loan Act, 2000***
for Fleet Vehicles Agency	$11,300	$7,700

9. Pension liability

Employees of SOAs are eligible for pension benefits in accordance with the provisions of ***The Civil Service Superannuation Act.*** Only the Industrial Technology Centre and the Food Development Centre match their employees' contributions to the Civil Service Superannuation Fund and have no further liability under the Act. Other SOAs have recorded an obligation for the pension benefits earned by their employees from the date of designation as a SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba, which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

These SOAs each deposited an amount equal to the employer's share of the pension liability in a separate investment account.

An actuarial valuation report of the pension liability of SOAs to their employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the actuarial liability of SOAs has been calculated on an indexed basis to be $7,992 as at March 31, 2001 (2000 - $7,266).

As at March 31, 2001, the Province assumed responsibility for administering the pension liability of these SOAs. Accordingly, the pension liability net of deferred contributions to the Province was reclassified as accounts payable - Province of Manitoba. The SOAs will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

10. Severance pay benefits

Effective April 1, 1998, SOAs began recording accumulated severance pay benefits for their employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province accepted responsibility for the severance benefits accumulated by SOA employees to March 31, 1998, as well as for the benefits accumulated by employees of the Manitoba Securities Commission to March 31, 1999. Accordingly, the opening severance pay liability balances as at April 1, 1998 calculated at $3,511 and as at April 1, 1999 calculated at $135 were completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the severance liability of SOAs as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $3,676, and the receivable from the Province was restated to $3,336 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the actuarial liability of SOAs has been calculated to be $3,916 as at March 31, 2001.

11. Equity

	2001	2000
Contributed equity		
Fleet Vehicles Agency	$ 4,118	$ 4,118
Industrial Technology Centre	62	62
Mail Management Agency	51	51
Manitoba Text Book Bureau	549	549
Materials Distribution Agency	1,246	1,246
Office of the Fire Commissioner	11,279	11,279
Pineland Forest Nursery	356	356
	$17,661	$17,661

11. Equity (continued)

	2001	2000
Retained earnings		
Civil Legal Services	$ 435	$ 501
Companies Office	1,607	2,231
Fleet Vehicles Agency	10,644	9,903
Food Development Centre	(30)	-
Industrial Technology Centre	1,162	922
Land Management Services	973	530
Mail Management Agency	488	425
MERLIN	(350)	(334)
Manitoba Securities Commission	4,421	1,551
Manitoba Text Book Bureau	82	85
Materials Distribution Agency	3,847	3,415
Office of the Fire Commissioner	(710)	(301)
Organization and Staff Development	260	182
Pineland Forest Nursery	687	734
The Property Registry	3,219	4,155
The Public Trustee	915	825
Vital Statistics Agency	1,101	1,618
Financing Authority	5	3
	$28,756	$26,445

12. Reserve funds

The Public Trustee

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses. The balance of the reserve at March 31, 2001 is $500 (2000 - $500).

Manitoba Securities Commission

The Manitoba Securities Commission has allocated a reserve out of retained earnings to provide for extraordinary regulatory expenses and changes in market activity affecting revenue. The intent is to fund the reserve over four years to an accumulated balance of $1,000. The balance of the reserve at March 31, 2001 is $670 (2000 - $435).

13. Commitments

Commitments for SOAs with building lease agreements at March 31, 2001 total $5,088 (2000 - $5,088).

Other commitments entered into by SOAs are as follows:

Manitoba Text Book Bureau	Provision of warehousing and distribution services	$167
Office of the Fire Commissioner	Vehicle lease agreements	366
The Property Registry	Equipment lease agreements	417
		$950

14. Contingent liability

The Province of Manitoba is implementing the Better Systems Initiative (BSI) to facilitate single-window access by business and the general public to government registry services and databases. The Personal Property Registry module of The Property Registry began to be phased in during the 2000/01 fiscal year. The Companies Office will implement its first release during 2001/02. The Land Titles module of The Property Registry will come on stream in a subsequent year. The agencies will be expected to pay their proportionate share of BSI costs. Estimates of their liability and cost are not known because the Province has not determined the accounting treatment and an appropriate method of apportioning costs. It is not expected that there will be any costs assigned for the year ended March 31, 2001. It is anticipated that this matter will be resolved during the year ending March 31, 2002.

15. Estates and trusts under administration

The Public Trustee has statutory responsibility for administering clients' estates and trusts. The client assets under administration at March 31, 2001 total approximately $159,000 (2000 - $151,000). The trust activities of The Public Trustee are reported in separate audited financial statements for Estates and Trusts under Administration.

16. Public sector compensation

Pursuant to the disclosure required by ***The Public Sector Compensation Disclosure Act***, the Chairperson was the only employee of the Financing Authority who received compensation of $50 or more during the fiscal year ended March 31, 2001.

Name	Position	2001	2000
Wilkins, John	Chairperson	$76	$75

Compensation information for each SOA is disclosed in the notes to their audited financial statements.

17. Financing instruments

The carrying amounts of the current assets and liabilities are reasonable estimates of their fair value because of the short-term maturity of these instruments.

APPENDIX

Agency Financial Statements

- Fleet Vehicles Agency
- Materials Distribution Agency
- Organization and Staff Development
- Vital Statistics Agency
- Civil Legal Services
- Manitoba Education, Research and Learning Information Networks
- Land Management Services
- Pineland Forest Nursery
- Companies Office
- Manitoba Text Book Bureau
- Mail Management Agency
- Industrial Technology Centre
- The Public Trustee
- Office of the Fire Commissioner
- Food Development Centre
- The Property Registry
- Manitoba Securities Commission

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Fleet Vehicles Agency
An Agency of the Special Operating Agencies Financing Authority Province of Manitoba
Financial Statements

(In Thousands)
March 31, 2001

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Notes to the Financial Statements	5-11
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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Fleet Vehicles Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001, and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001, and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
May 18, 2001

Chartered Accountants

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Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands) Year Ended March 31	2001	2000 (Note 12)
Revenue		
Vehicle leases	$ 20,349	$ 18,987
Gain on disposal of vehicles and equipment, net	727	522
Interest income	80	58
Other revenue (Page 12)	1,462	1,444
	22,618	21,011
Expenses		
Salaries	1,925	1,900
Vehicle operating expenses (Page 12)	16,296	14,809
Administrative expenses (Page 12)	860	1,305
Community service	28	95
Interest expense	768	727
	19,877	18,836
Net earnings	$ 2,741	$ 2,175
Retained earnings, beginning of year		
As previously reported	$ 9,970	$ 9,728
Adjustment for pension expense applicable to the preceding year (Note 5)	(67)	
As restated	9,903	9,728
Net earnings	2,741	2,175
Revenue sharing to the Consolidated Fund	(2,000)	(2,000)
Retained earnings, end of year	$ 10,644	$ 9,903

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(In Thousands)

March 31	2001	2000 (Note 12)
Assets		
Current		
Short term investments (Note 5)	$ 1,082	$
Receivables (Note 3)	1,859	2,413
Inventories	68	52
Prepaids	1,200	1,142
	4,209	3,607
Capital assets (Note 4)	30,092	26,955
Cash held for funding of pension liability (Note 5)		826
Receivables from the Province of Manitoba		
Pension benefits (Note 5)		150
Severance pay benefits (Note 6)	194	194
	$ 34,495	$ 31,732
Liabilities		
Current		
Working capital payable, net of cash (Note 7)	$ 3,562	$ 2,160
Payables and accruals (Note 5)	1,736	1,081
Revenue sharing to the Consolidated Fund for the current year	500	500
Unearned revenue	412	384
Current portion of long term debt	4,288	4,576
	10,498	8,701
Long term debt (Note 8)	8,971	7,730
Pension liability (Note 5)		1,043
Severance pay liability (Note 6)	264	237
	19,733	17,711
Equity		
Contributed equity (Note 9)	4,118	4,118
Retained earnings	10,644	9,903
	14,762	14,021
	$ 34,495	$ 31,732

Commitments (Note 10)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(In Thousands)
Year Ended March 31

	2001	2000 (Note 12)
Increase (decrease) in cash and cash equivalents		
Operating		
Net earnings	$ 2,741	$ 2,175
Amortization	6,247	5,820
Gain on disposal of vehicles and equipment, net	(727)	(522)
Increase (decrease) in pension liability	(648)	363
Actuarial valuation gain on pension liability	(395)	
Increase (decrease) in severance pay liability	27	(5)
	7,245	7,831
Change in		
Receivables	554	759
Inventories	(16)	(8)
Prepaids	(58)	(64)
Payables and accruals	655	384
Revenue sharing to the Consolidated Fund for the current year		500
Unearned revenue	28	81
	8,408	9,483
Investing		
Proceeds from disposal of vehicles and equipment	1,384	1,103
Acquisition of vehicles	(9,893)	(8,051)
Acquisition of office, shop and computer equipment	(130)	(145)
Acquisition of leasehold improvements	(18)	(77)
Cash held for funding of pension liability	826	(146)
	(7,831)	(7,316)
Financing		
Proceeds from Loan Act Authority drawdowns	5,650	3,400
Long term debt repayments	(4,697)	(3,747)
Revenue sharing to the Consolidated Fund	(2,000)	(2,000)
Receivables from the Province of Manitoba	150	(125)
	(897)	(2,472)
Net decrease in cash and cash equivalents	(320)	(305)
Working capital payable, net of cash and cash equivalents Beginning of year	(2,160)	(1,855)
End of year	$ (2,480)	$ (2,160)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(In Thousands)
March 31, 2001

1. Nature of organization

In 1934, Fleet Vehicles was created as a branch of the Manitoba Provincial Government to provide a centralized fleet management program. It was established to achieve economies of scale and to lower overall fleet costs to government.

Effective April 1, 1992, the Fleet Vehicles branch was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A 1992 Management Agreement between SOAFA and the then Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

Fleet Vehicles Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and the Minister of Transportation and Government Services.

Fleet Vehicles Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

Fleet Vehicles Agency is economically dependent on The Government of Manitoba, as it derives most of its revenue and all of its capital financing requirements from the Province.

2. Significant accounting policies

Basis of reporting

The financial statements of the Agency are presented in accordance with generally accepted accounting principles.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and short term investments with original maturities of six months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued at the lower of cost and market value.

Capital assets

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Vehicles	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Office and shop equipment	20%, declining balance
Computer software and equipment	20%, straight line
Leasehold improvements	10%, straight line

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. Receivables

	2001	2000
Trade	$ 917	$ 1,512
Accrued trade	671	641
Insurance agency rebate receivable	271	260
	$ 1,859	$ 2,413

4. Capital assets

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Vehicles	$ 55,507	$ 25,979	$ **29,528**	$ 26,426
Office, shop and computer equipment	951	639	**312**	252
Leasehold improvements	434	182	**252**	277
	$ 56,892	$ 26,800	$ **30,092**	$ 26,955

5. Pension liability

The employees of Fleet Vehicles Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. Pursuant to an agreement with the Province of Manitoba, Special Operating Agencies (SOAs) are responsible for the pension liability incurred for their employees only from each Agency's date of designation as a SOA. The methodology for calculating the liability was determined in conjunction with the Province, and the Province has accepted responsibility for the pension liability for prior service, as well as for any variance resulting from the calculation.

In July 2000, the Agency restated its pension liability as of March 31, 1999, to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The restatement resulted in the retroactive recording of an increased pension liability of $217 for benefits through March 31, 2000. Of that amount, $150 was recorded as a receivable from the Province (under arrangements discussed in the preceding paragraph), and $67 applicable to the preceding year was recorded as a retroactive adjustment to Retained Earnings as of March 31, 2000.

Through March 31, 2001, the Agency deposited $1,082, an amount equal to its anticipated share of the pension liability in a separate investment account with the Treasury Division.

An actuarial valuation report of the Agency's pension liability for its employees from the date of designation as a SOA was completed February, 2001. The report calculated the pension liability as of March 31, 2000, and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $806 as of March 31, 2001 (2000 - $648).

As of March 31, 2001, the Province assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability of $806 at that date, net of the $150 receivable from the Province, has been reclassified as a current liability in payables and accruals in the accompanying balance sheet. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

6. Severance pay liability

Effective April 1, 1998, the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of 15 years, by the weekly salary at date of retirement, provided the employee has reached nine years of service and retires from the Agency. Effective April 2000, there is also additional severance pay for employees with 20 or more years of accumulated service. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as of April 1, 1998, of $219 was completely offset by a receivable from the Province. There are no terms of repayment for this receivable.

An actuarial valuation report of the Agency's severance liability as of March 31, 2000, was completed February, 2001. The liability as of March 31, 2000, was restated to $237 and the receivable from the province was restated to $194 as a result of the actuarial valuation being largely related to service rendered prior to 1998. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $264 as of March 31,2001.

7. Working capital payable

The Agency has an authorized line of working capital advances of $4,000 ($2,500 as of March 31, 2000), $3,612 of which was used as of March 31, 2001 (2000: $2,231).

8. Long term debt

Loan Act Authority is repayable in semi-annual instalments of principal and interest, as follows:

Interest Rate	Instalment Amount	Maturity Date	2001 Principal Balance Owing	2000 Principal Balance Owing
7 1/8%	$ 181	March 31, 2001	$	$ 343
7%	601	March 31, 2001		1,142
6%	469	March 31, 2002	897	1,743
5 1/2%	289	September 30, 2002	822	1,335
5 7/8%	316	March 31, 2003	1,175	1,713
5 1/2%	232	March 31, 2004	1,264	1,642
6%	141	March 31, 2004	762	988
6 7/8%	408	March 31, 2005	2,809	3,400
6 5/8%	167	September 30, 2005	1,280	
5 3/4%	495	March 31, 2006	4,250	
Total principal owing as of March 31			13,259	12,306
Amount due within one year			4,288	4,576
Long term debt as of March 31			$ 8,971	$ 7,730

By virtue of the Management Agreement, the Agency is responsible for the repayment of debts assumed by the Special Operating Agencies Financing Authority (SOAFA) on its behalf. SOAFA holds the debt instruments listed above on behalf of Fleet Vehicles Agency.

Unused loan authority of $1,400 was available as of March 31, 2000. An additional $5,300 regular and $1,000 special was approved during the year, for a total available of $7,700. Following the drawdown of $1,400 in September 2000 at 6 5/8% interest and a further $4,250 in March 2001 at 5 3/4% interest, there is $2,050 in unused loan authority remaining, all from The Loan Act, 2000.

As of March 31, 2001, principal repayments in each of the next five years are as follows:

2002	$ 4,288
2003	3,308
2004	2,573
2005	1,979
2006	1,111

9. Contributed equity

The Special Operating Agencies Financing Authority (SOAFA) and The Government of Manitoba entered into a Transfer Agreement in connection with the transfer from the Government to SOAFA of assets valued at $12,353 required for the continuing operations of Fleet Vehicles Agency as of March 31, 1992. The Agency has repaid the debt portion in the amount of $8,235 (2/3 of the value of the assets) and has recorded the balance of $4,118 (1/3 of the value of the assets) as the Government's equity in SOAFA relating to the Agency's operations.

10. Commitments

(a) Pursuant to a Memorandum of Understanding dated May 31, 1996, the Agency entered into a lease agreement with The Government of Manitoba through Manitoba Government Services for the rental of the facilities at 626 Henry Avenue, Winnipeg, Manitoba. Occupancy charges for each fiscal year including 2001/02 are established annually based on the approved budget for the Department of Transportation and Government Services. Occupancy charges for 2001/02 are estimated at $398 for the year, to be paid in semi-annual instalments in July 2001 and January 2002.

(b) The Agency's approved 2001/02 Business Plan calls for $1,000 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2001/02.

11. Requirements of The Public Sector Compensation Disclosure Act

Pursuant to Section 2(1) of the Act, the following employees of Fleet Vehicles Agency received compensation, directly or indirectly, of $50 or more in the fiscal year ended March 31.

Name	Position	2001	2000
Kathryn Bernhardt	Manager, Support Services	$ 60	$ 52
Derek Boutang	Systems Analyst	52	
Donald Chesney	Manager, Fleet	60	54
Dennis Ducharme	Chief Operating Officer	80	79
Jordan Janisse	Systems Supervisor	55	52
Albert Ogonoski	Manager, Finance	54	54
William Reynolds	Senior Manager, Strategic Planning	57	56
Guy Sinclair	Manager, Operations	60	55

12. Comparative figures

The financial statements for the year ended March 31, 2000, presented for comparative purposes, have been restated from those previously reported to include the retroactive adjustments to the recorded pension and severance pay liabilities as of March 31, 2000, as discussed in Notes 5 and 6 above.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Other Revenue and Expenses

(In Thousands)
Year Ended March 31

	2001	2000 (Note 12)
Other revenue		
Service	$ 734	$ 719
Rebates	576	536
Autopac service revenue	152	189
	$ 1,462	$ 1,444
Vehicle operating expenses		
Amortization	$ 6,134	$ 5,719
Fuel	5,213	4,484
Insurance premiums	2,224	2,100
Repairs and maintenance	2,725	2,506
	$ 16,296	$ 14,809
Administrative expenses		
Amortization	$ 113	$ 101
Fleet management information system	178	150
Telephone and communication	30	31
Human resource overhead	424	474
Actuarial valuation gain on pension liability	(395)	
Occupancy costs	398	392
Other costs	48	56
Professional fees	13	36
SOAFA charges	3	2
Supplies and materials	48	63
	$ 860	$ 1,305

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility for Financial Reporting

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Grant Thornton LLP, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met twice with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Dennis Ducharme
Chief Operating Officer

Albert Ogonoski
Manager, Finance

May 18, 2001

MATERIALS DISTRIBUTION AGENCY

Financial Statements

For The Year Ended March 31, 2001

(In Thousands)

Materials Distribution Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by The Exchange Group, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board has scheduled meetings with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, to discuss the results of the audit and their views on the adequacy of internal controls and the quality of financial reporting.

Bill Reynolds
A/Chief Operating Officer

Ted Norrington
A/Controller

June 13, 2001

THE EXCHANGE
chartered accountants

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Materials Distribution Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and changes in cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants

Winnipeg, Manitoba
June 13, 2001

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MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2001

ASSETS

	2001	2000
CURRENT		
Cash and short term investments	$1,787	$1,112
Investments – pension related	0	529
Accounts receivable	3,775	3,086
Accounts receivable – Province of Manitoba (note 9)	288	274
Inventories (notes 2 and 3)	1,538	1,548
Prepaid expenses	26	61
	7,414	6,610
CAPITAL ASSETS (notes 2 and 4)	650	723
OTHER ASSETS (notes 2 and 5)	602	757
	$8,666	$8,090

LIABILITIES

CURRENT		
Payables and accruals (note 6)	$3,355	$2,690
PENSION LIABILITY (note 2)	0	529
SEVERANCE LIABILITY (note 9)	218	210
	3,573	3,429

EQUITY

CONTRIBUTED EQUITY (note 7)	1,246	1,246
RETAINED EARNINGS	3,847	3,415
	5,093	4,661
	$8,666	$8,090

Commitments (note 8)

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
SALES, Schedule 1	$19,095	$18,898
COST OF GOODS SOLD	14,935	14,740
GROSS PROFIT	4,160	4,158
EXPENSES		
Salaries	1,989	1,983
Pension benefits expense	(1)	195
Operating costs, Schedule 2	337	349
Administrative expenses, Schedule 2	878	937
	3,203	3,464
INCOME FROM OPERATIONS	957	694
LOSS ON DISPOSAL OF CAPITAL ASSETS	0	(9)
NET INCOME	957	685
REVENUE SHARING – PROVINCE OF MANITOBA	(525)	(200)
RETAINED EARNINGS, beginning of year	3,415	2,930
RETAINED EARNINGS, end of year	$ 3,847	$ 3,415

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
CASH PAYMENTS		
Purchase of capital assets	$ (380)	$ (429)
Purchase of other assets	(16)	(841)
Revenue sharing – Province of Manitoba	(525)	(200)
CASH RECEIPTS		
Cash (deficit) generated from operations, net	1,596	(2,144)
Increase (decrease) in cash and short term investments	675	(3,614)
CASH AND SHORT TERM INVESTMENTS		
Beginning of year	1,112	4,726
End of year	$ 1,787	$ 1,112

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

1. NATURE OF ORGANIZATION

The Government of Manitoba established a central warehouse operation in 1974. Its mandate was to cost effectively meet the needs of departments and certain boards, commissions and agencies of the Crown, for a variety of commonly used items.

Effective April 1, 1993, Materials Distribution Branch was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from the Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

The Materials Distribution Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Materials Distribution Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Materials Distribution Agency is economically dependent on the Province of Manitoba and the Manitoba Regional Health Authorities, deriving most of its revenue and all of its capital financing requirements from the Province.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Inventories

Inventories are valued at the lower of cost (as defined by first-in/first-out) and net realizable value.

Capital Assets

Capital assets are recorded at cost and are amortized annually at the following rates and bases:

Computer equipment	- 20%, straight-line basis
Fixtures	- 20%, straight-line basis
Office equipment	- 20%, diminishing balance basis
Rental equipment	- 20%, diminishing balance basis
Warehouse equipment	- 20%, diminishing balance basis
Leasehold improvements	- over 5 years, straight-line basis

Assets that relate to the transfer of the Home Care Equipment and Supplies Program are recorded at cost and are amortized at accelerated rates as follows:

Computer equipment, accelerated	- 33%, straight-line basis
Fixtures, accelerated	- 33%, straight-line basis
Office equipment, accelerated	- 33%, straight-line basis
Warehouse equipment, accelerated	- 33%, straight-line basis
Leasehold improvements, accelerated	- over 3 years, straight-line basis

Non-consumable equipment relating to the Home Care Equipment and Supplies Program are amortized at varying rates in order to reflect the varying periods of useable "life".

Rental equipment	- over 2, 3 or 5 years, straight-line basis

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Other Assets

Other assets are recorded at cost and are amortized at the following rate on a straight-line basis:

Computer conversion, accelerated	- over 3 years

Pension Liability

Employees of the Materials Distribution Agency are eligible for pensions in accordance with provisions of The Civil Services Superannuation Act. In accordance with an agreement with the Province of Manitoba, Special Operating Agencies (SOAs) are only responsible for the pension liability incurred for their employees from the Agency's date of designation as a SOA. The methodology for calculating the liability was determined in conjunction with the Province, and the Province accepted responsibility for the pension liability for prior service, as well as for any variance resulting from the calculation.

Through March 31, 2001, the Agency deposited an amount equal to its share of the pension liability in a separate investment account with the Treasury Division.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $598 as at March 31, 2001.

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability by the Province was reclassified as accounts payable. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

3. INVENTORIES

	2001	2000
Medical, Lab and X-ray supplies	$ 246	$ 240
Reproductive health supplies	53	69
Medical supplies	447	488
Ostomy supplies	272	190
Equipment consumables	12	12
	1,030	999
Stationery	297	334
Forms	73	92
Janitorial	114	94
Furnishings	18	21
Used furniture	0	5
New furniture	1	3
Office equipment consumables	5	0
	$ 1,538	$ 1,548

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2001 Net	2000 Net
Computer equipment	$ 43	$ 12	$ 31	$ 35
Fixtures	40	32	8	8
Office equipment	27	19	8	10
Warehouse equipment	110	55	55	46
Leasehold improvements	133	98	35	62
	353	216	137	161
Accelerated				
Computer equipment	48	48	0	0
Fixtures	63	63	0	13
Office equipment	22	22	0	2
Warehouse equipment	61	61	0	21
Leasehold improvements	120	120	0	22
	314	314	0	58
Home Care equipment	1,562	1,049	513	504
	$ 2,229	$ 1,579	$ 650	$ 723

5. OTHER ASSETS

	Cost	Accumulated Amortization	2001 Net	2000 Net
Computer conversion	$ 858	$ 256	$ 602	$ 757

6. WORKING CAPITAL PAYABLE

The Province has provided the Agency with an authorized line of working capital advances of $800, none of which was used at March 31, 2001 or 2000.

7. CONTRIBUTED EQUITY

Loan Authority – April 1, 1993

The Special Operating Agencies Financing Authority (SOAFA) and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of inventory and fixed assets valued at $1,464 required for the continuing operations of the Materials Distribution Agency as at March 31, 1993. The Agency repaid the debt portion of $732 (being ½ of the value of the assets) and recorded the balance, $732, as Manitoba's equity in the Financing Authority as related to the Agency operations.

Loan Authority – April 1, 1997

SOAFA and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority for the net assets of the HCESP valued at $1,027 as at April 1, 1997. The Agency repaid the debt portion of $513 (being ½ of the value of the assets) and recorded the balance $514, as Manitoba's equity in the Financing Authority as related to the Agency operations.

8. COMMITMENTS

Leased Premises

The Agency has entered into a master lease agreement with the Province of Manitoba for rental of facilities at 1680 Church Avenue, Winnipeg, Manitoba, which expires on March 31, 2002. Occupancy charges are $215 payable in semi-annual payments of $107.

The Agency has entered into an ancillary lease agreement directly with the landlord for rental of 8,500-sq. ft. at 1660 Church Avenue, Winnipeg, Manitoba, which expires on March 31, 2002. Occupancy charges are an annual $31, payable in monthly instalments.

The Agency has also obtained 5,790-sq. ft. at 1678 Church Avenue, Winnipeg, Manitoba, wherein the Landlord has entered into an ancillary lease agreement directly with the Agency. The lease expires on March 31, 2002. Occupancy charges are an annual $17 payable in monthly instalments.

Desktop Management Initiative (DMI)

Costs related to leased computer assets, network (PDN) and user fees (SAP, MEBS and WAN) within the Province's managed environment are projected over the next five years:

Fiscal Year	# Units	$
2001/02	42	279
2002/03	43	293
2003/04	44	307
2004/05	45	323
2005/06	46	337

9. SEVERANCE LIABILITY

Effective April 1, 1998 the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $254 has been completely offset by a receivable from the Province. There are no terms of repayment for this receivable.

An actuarial valuation of the Agency's accrued severance liability as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $210 and the receivable from the Province was restated to $274 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $218 as at March 31, 2001.

10. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2001, the following employees received compensation in excess of $50.

Name	Position	2001	2000
Grant Cancilla	Equipment Manager	$ 62	$ -
Don Katz	A/Chief Operating Officer	-	61
Petra Berner-Krieger	Controller	61	59

11. COMPARATIVE FIGURES

In addition to the retroactive restatement to the severance liability per Note 9, certain comparative figures from the previous year have been reclassified to conform with the current year's financial presentation.

Schedule 1

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

SCHEDULE OF SALES
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
Warehoused Items		
Medical, Lab and X-ray	$ 1,970	$ 1,941
Medical forms	131	81
Reproductive	330	328
Medical supplies	3,396	3,088
Ostomy supplies	1,487	1,344
Equipment consumables	109	97
	7,423	6,879
Stationery	1,879	1,981
Forms	180	204
Janitorial	633	657
Furnishings	103	120
Office equipment consumables	101	140
Software and computer supplies	1,865	2,160
Miscellaneous	131	47
	12,315	12,188
Direct (factored sales)		
Stationery	760	641
Medical, Lab and X-ray	121	218
Janitorial	267	218
Furniture, new	2,050	1,328
	3,198	2,405
Other Revenue		
Oxygen contract	0	275
Home Care equipment rentals	1,581	1,618
Office equipment – copy centres	805	800
Office equipment – maintenance program	190	249
Used furniture	25	19
Disposal	38	37
Moving and freight	779	943
Storage	69	73
Interest	95	70
Miscellaneous	0	221
	3,582	4,305
TOTAL SALES	$19,095	$18,898

Schedule 2

MATERIALS DISTRIBUTION AGENCY
(An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba)

SCHEDULES OF OPERATING COSTS AND ADMINISTRATIVE EXPENSES
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
OPERATING COSTS		
Freight and travel	$ 8	$ 5
Occupancy	300	311
Maintenance and supplies	29	33
	$ 337	$ 349
ADMINISTRATIVE EXPENSES		
SOAFA fees	$ 2	$ 2
Professional services	99	7
Amortization	266	307
Bad debts	0	102
Computer	363	380
Office	62	46
Promotion and marketing	63	40
Telephone	22	16
Training and education	1	37
	$ 878	$ 937

ORGANIZATION & STAFF DEVELOPMENT - An Agency Of The Special Operating Agencies Financial Authority

Financial Statements

For the year ended March 31, 2001

ORGANIZATION & STAFF DEVELOPMENT - An Agency Of The Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2001

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Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of Organization & Staff Development (OSD) and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to June 14, 2001.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Provincial Auditor is to express an independent opinion on whether the financial statements of OSD are fairly represented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Herb Robertson, Director
Organization & Staff Development
June 14, 2001

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of Organization and Staff Development, an Agency of The Special Operating Agencies Financing Authority, as at March 31, 2001 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Provincial Auditor

Office of the Provincial Auditor

Winnipeg, Manitoba
June 14, 2001

ORGANIZATION & STAFF DEVELOPMENT - An Agency Of The Special Operating Agencies Financing Authority
Balance Sheet

March 31	2001	2000
	(000's)	
Assets		
Current Assets		
Cash and bank (Note 3)	$ 84	$ 84
Short-term investments (Note 4)	317	188
Accounts receivable	203	91
Inventories	3	6
	607	369
Pension investments (Note 4)	-	97
Severance receivable (Note 5)	39	39
Deferred contributions - Province of Manitoba (Note 4)	-	17
Capital assets (Note 6)	13	12
	$ 659	$ 534
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 245	$ 183
Accounts payable - Province of Manitoba (Note 4)	107	-
	352	183
Pension liability (Note 4)	-	124
Severance liability (Note 5)	47	42
	399	349
Equity		
Retained earnings	260	185
	$ 659	$ 534

The accompanying notes are an integral part of these financial statements

ORGANIZATION & STAFF DEVELOPMENT - An Agency Of The Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2001 Actual	2000 Actual	Variance	Budget	Variance
Revenue					
Training and consulting	$ 1,190	$ 1,069	$ 121	$ 1,083	$ 107
Interest	17	6	11	11	6
	1,207	1,075	132	1,094	113
Expenses					
Professional fees	421	444	(23)	430	(9)
Salaries and benefits	311	371	(60)	374	(63)
Books and course materials	126	35	91	25	101
Departmental support services	68	59	9	71	(3)
Accommodations	34	51	(17)	14	20
Transportation	32	26	6	21	11
Desk top management	30	25	5	20	10
Food and beverages	27	25	2	25	2
Occupancy costs	17	17	-	18	(1)
Marketing	16	12	4	11	5
Communications	14	17	(3)	14	-
Office supplies	13	12	1	6	7
Rentals	8	25	(17)	36	(28)
Other	6	8	(2)	18	(12)
Professional development	6	4	2	-	6
Amortization	3	1	2	3	-
	1,132	1,132	-	1,086	46
Net income (loss) for the year	75	(57)	132	8	67
Retained earnings, beginning of year	185	242			
Retained earnings, end of year	$ 260	$ 185			

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency Of The Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2001	2000
	(000's)	
Cash Flows from Operating Activities		
Net income (loss) for the year	$ 75	$ (57)
Items not involving cash		
Amortization of capital assets	3	1
Pension and severance expense	6	26
	84	(30)
Net change in non-cash working capital balances	(48)	14
	36	(16)
Cash Flows from Investing Activities		
Purchase of capital assets	(4)	(11)
Transfer to pension fund	(36)	(97)
Transfer pension fund to short-term investments	133	-
	93	(108)
Increase (decrease) in cash and equivalents during the year	129	(124)
Cash and cash equivalents, beginning of year	272	396
Cash and cash equivalents, end of year	$ 401	$ 272
Represented by		
Cash and bank	$ 84	$ 84
Short-term investments	317	188
	$ 401	$ 272

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency Of The Special Operating Agencies Financing Authority
Notes to Financial Statements

(000's)

March 31, 2001

1. Nature of Organization

Effective April 1, 1994, Organization and Staff Development (OSD) of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

OSD continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

OSD remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

OSD is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province and all of its capital financing requirements through the Financing Authority.

2. Significant Accounting Policies

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

March 31, 2001 (000's)

2. **Significant Accounting Policies (continued)**

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Furniture and office equipment	20% straight line
Computer equipment	20% straight line

One half year's amortization is applied to computer equipment in the year of acquisition.

3. **Working Capital**

The Agency has an authorized line of working capital advances of $120 which was unused and available at March 31, 2001.

4. **Pension Liability**

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as a Special Operating Agency (SOA). The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

The Agency restated its pension liability as at March 31, 1999 to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $17 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Deferred Contributions - Province of Manitoba". The comparative figures have been restated to reflect the change. There was no effect on pension benefit expense for the year ended March 31, 2000.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as an SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $125 as at March 31, 2001 ($124 in 2000).

4. Pension Liability (continued)

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution to the Province was reclassified as accounts payable. The Agency will transfer funds equal to the net amount to the Province during the year ended March 31, 2002.

5. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 1, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $33 was completely offset by a receivable from the Province. There are no terms of repayment for this receivable, and the amount will remain fixed at $33. The liability is updated annually.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $42 and the receivable from the Province was restated to $39. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $47 as at March 31, 2001.

6. Capital Assets

	2001			2000		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture & fixtures	$ 10	$ 6	$ 4	$ 10	$ 5	$ 5
Computers	12	3	9	8	1	7
	$ 22	$ 9	$ 13	$ 18	$ 6	$ 12

7. Public Sector Compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2001, the following employees received compensation of $50,000 or more.

	2000	1999
J. Desrochers	$ 54	$ 53
E. Dickson	54	53
H. Robertson	71	69

8. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

9. Comparative Figures

Comparative figures for the year ended March 31, 2000 have been restated to conform with the presentation adopted for the current year.

VITAL STATISTICS AGENCY

FINANCIAL STATEMENTS

MARCH 31, 2001

Vital Statistics Agency

MANAGEMENT REPORT

To the Special Operating Agencies Financing Authority

The accompanying financial statements are the responsibility of the management of the Vital Statistics Agency and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 18, 2001.

Management maintains internal controls to properly safeguard the Vital Statistics Agency's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and established policies and procedures are followed.

The Auditor's responsibility is to express an independent opinion on whether the financial statements of the Vital Statistics Agency are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

Caroline E. Kaus
Chief Operating Officer

Rudy Gerling
Manager of Finance,
Administration and Marketing

Vital Statistics Agency
254 Portage Avenue, Winnipeg, MB, R3C 0B6 Canada
Telephone: (204) 945-3701 Fax: (204) 948-3128

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VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2001

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MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Vital Statistics Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of earnings, retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and cash flow for the year then ended in accordance with generally accepted accounting principles.

The 2001 budget figures are unaudited.

Magnus & Buffie

May 18, 2001

CHARTERED ACCOUNTANTS

906 – 386 BROADWAY • WINNIPEG, MANITOBA • R3C 3R6 • PHONE (204) 942-4441 • FAX (204) 944-0400

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT ASSETS		
Cash and short term deposits (Note 7)	$ 925	$ 1,179
Accounts receivable (Note 4)	64	41
Inventories	28	28
Prepaids	8	8
	1,025	1,256
DEFERRED CONTRIBUTION - PROVINCE OF MANITOBA (Note 7)	-	65
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 5 and 8)	94	94
CAPITAL ASSETS (Note 6)	911	1,076
	$ 2,030	$ 2,491
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued	$ 181	$ 136
Accounts payable - Province of Manitoba (Note 7)	411	-
Accrued unused vacation entitlements	110	96
Unearned revenue	93	66
	795	298
ACCRUED PENSION LIABILITY (Note 7)	-	456
SEVERANCE PAY LIABILITY (Note 8)	134	119
	929	873
EQUITY		
RETAINED EARNINGS	1,101	1,618
	$ 2,030	$ 2,491

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	BUDGET 2001	ACTUAL 2001	ACTUAL 2000
REVENUE			
Net sales	$ 2,234	$ 2,259	$ 2,244
Proceeds from government departments	131	113	113
Interest	25	29	31
	2,390	2,401	2,388
EXPENSES			
Salaries and employee benefits	1,206	1,229	1,217
Operating expenses (Page 10)	813	765	759
Amortization - capital assets	231	224	269
	2,250	2,218	2,245
NET EARNINGS FOR THE YEAR	$ 140	$ 183	$ 143

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
RETAINED EARNINGS, beginning of year	$ 1,618	$ 1,665
Net earnings for the year	183	143
	1,801	1,808
Revenue sharing payment to Province of Manitoba	700	190
RETAINED EARNINGS, end of year	$ 1,101	$ 1,618

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 183	$ 143
Adjustments for		
Amortization - capital assets	224	269
Severance pay expense	15	15
	422	427
Changes in non-cash working capital balances		
Accounts receivable	(23)	9
Inventories	-	(14)
Prepaids	-	(2)
Accounts payable and accrued	553	(13)
Accrued unused vacation entitlements	15	1
Unearned revenue	27	(12)
	994	396
FINANCING ACTIVITIES		
Change in accrued pension liability	(456)	102
Revenue sharing payment to Province of Manitoba	(700)	(190)
	(1,156)	(88)
INVESTING ACTIVITIES		
Capital asset additions	(157)	(143)
Change in deferred contribution - Province of Manitoba	65	-
	(92)	(143)
CHANGE IN CASH AND SHORT TERM DEPOSITS	(254)	165
CASH AND SHORT TERM DEPOSITS, beginning of year	1,179	1,014
CASH AND SHORT TERM DEPOSITS, end of year	$ 925	$ 1,179

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

1. NATURE OF ORGANIZATION

Effective April 1, 1994, the Lieutenant Governor in Council designated the Vital Statistics Agency as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council 232/1994. The Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a management agreement with respect to the Agency.

A Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Vital Statistics Agency in delivering regulated services to clients through administration of three major Acts; The Vital Statistics Act, The Change of Name Act; and The Marriage Act. The Agency also handles disinternments under the Public Health Act. The ownership of the vital events records is excluded from this agreement, as their ownership is considered Crown property and should not be alienated from Government protection in the public interest.

The Vital Statistics Agency continues to be part of Manitoba Consumer and Corporate Affairs under the general direction of the Deputy Minister, Consumer and Corporate Affairs who is also Chairperson of the Vital Statistics Agency's advisory committee. The Agency's general direction is provided by the Deputy Minister and the Minister.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements have been prepared in accordance with generally accepted accounting principles.

Inventories

Inventories of certificates and pre-printed forms are valued at cost. Cost is determined on a first-in, first-out basis.

Capital Assets

Capital assets are amortized over their estimated useful lives as follows:

	Rate	Method
Office equipment	20%	Straight line
Furniture and fixtures	20%	Straight line
Security equipment	20%	Straight line
Leasehold improvements	20%	Straight line
Information system	20%	Declining balance
Data conversion	20%	Declining balance

The half-year rule is used in the year of acquisition and disposition.

Unearned Revenue

The Agency receives cash payments at the time various certificates are ordered and the cash payments are reflected as unearned revenue. Revenue is recognized at the time the service is completed and the certificate is issued.

3. WAIVER OF FEES

The Vital Statistics Agency charges no fee for services in exchange for services from the following organizations:

(a) The Manitoba Development Centre, health care facilities, the Chief Medical Examiner's Office (Manitoba Justice), the Manitoba Funeral Association and the Department of Anatomy of the University of Manitoba as they provide services in accordance with The Vital Statistics Act.

(b) Child and Family Services Regional Operations of Manitoba Family Services to act as issuers of Marriage Licences and handling related administrative duties.

(c) Vital Statistics Offices in other jurisdictions through agreements to exchange information between jurisdictions as it relates to one another's residency or birthplace.

Services provided under the above agreements are valued at $3 for the year ended March 31, 2001 (2000 - $3).

The Vital Statistics Agency provides the following services without compensation to the Federal Government:

(a) Statistics Canada for national tabulation and statistical information. Statistics Canada provides payment for the microdata and microfilm records from the Vital Statistics Agency and provides half of the cost of printing registration forms.

(b) Health and Welfare Canada (Indian and Northern Affairs) (2001 value of $NIL; 2000 - $NIL)

In March of 1998, the Ministers of Justice, Consumer and Corporate Affairs, and Highways and Transportation agreed that the fees for replacement documents should be waived. Representatives of Vital Statistics and the Division of Driver and Vehicle Licensing met to coordinate the process so the public would receive the same program from both agencies.

The Agency provides services without compensation to victims of crimes as follows:

Effective January 1, 1999, members of the public who have had their birth certificates stolen during a criminal act can request replacement certificates and have the fee waived. This does not apply to members of the public who have lost their identification or individuals who are non-residents of Manitoba.

Clients are asked to indicate that they are requesting a waiver of fees as a result of a criminal act and to provide the police incident number.

Services provided under the above arrangement are valued at $18 for the year ended March 31, 2001 (2000 -$18).

4. ACCOUNTS RECEIVABLE

	2001	2000
Trade	$ 69	$ 50
Interest	1	3
	70	53
Allowance for doubtful accounts	6	12
	$ 64	$ 41

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for severance pay benefits prior to April 1, 1998.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2001	Net Book Value 2000
Office equipment	$ 103	$ 58	$ 45	$ 15
Furniture and fixtures	102	31	71	37
Security equipment	42	23	19	22
Leasehold improvements	68	41	27	8
Information system	709	352	357	458
Data conversion	740	348	392	536
	$ 1,764	$ 853	$ 911	$ 1,076

7. ACCRUED PENSION LIABILITY

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for pension benefits earned by its employees from the date of designation as a Special Operating Agency (SOA). The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as an SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $476 as at March 31, 2001 (2000 - $456).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution from the Province was reclassified as accounts payable. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $126 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $119 and the receivable from the Province was restated to $94 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $134 as at March 31, 2001.

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 254 Portage Avenue. Occupancy charges for the year ending March 31, 2002 are estimated to be $157 (2001 - $154).

The Agency is also leasing computers from the Province of Manitoba under the Desktop Program. The leases expire in December 2003, with future estimated lease payments as follows:

Year	Amount
2002	$ 55
2003	55
2004	41
	$ 151

10. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $250 limit for working capital advances for the Agency. The Agency has not accessed working capital advances in the current year.

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	BUDGET 2001	ACTUAL 2001	ACTUAL 2000
Accommodation	$ 157	$ 154	$ 157
Advertising	32	17	12
Bad debts	5	1	6
Central government charges	45	16	14
Computer information system	258	268	327
Office supplies	21	23	18
Other operating expenses	29	31	25
Printed material supplies	82	75	58
Professional fees	50	40	36
Supplies for mechanized systems	4	4	4
Telecommunications	35	37	23
Training	10	3	3
Transportation and freight	85	96	76
	$ 813	$ 765	$ 759

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2001	2000
Caroline Kaus	Chief Operating Officer	$ 62	$ 61
Rudy Gerling	Manager of Finance, Administration and Marketing	52	51

CIVIL LEGAL SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2001

Manitoba

Justice

Civil Legal Services
SOA

Room 730
Woodsworth Building
405 Broadway
Winnipeg, Manitoba CANADA
R3C 3L6

PH: (204) 945-2846
FAX: (204) 948-2041

File No.
In reply please refer to:
Tom Hague
Chief Operating Officer

Civil Legal Services
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by Magnus & Buffie, Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Tom Hague
Chief Operating Officer

May 16, 2001

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2001

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MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Civil Legal Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and cash flow for the year then ended in accordance with generally accepted accounting principles.

The comparative figures were audited by another firm of Chartered Accountants.

Magnus & Buffie

CHARTERED ACCOUNTANTS

May 16, 2001

906 – 386 BROADWAY • WINNIPEG, MANITOBA • R3C 3R6 • PHONE (204) 942-4441 • FAX (204) 944-0400

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 260	$ 355
Accounts receivable	562	306
Term deposits - pension trust	902	-
	1,724	661
DEFERRED CONTRIBUTION - PROVINCE OF MANITOBA (Note 6)	-	126
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 4)	379	379
CAPITAL ASSETS (Note 5)	92	69
TERM DEPOSIT - PENSION TRUST	-	668
TRUST ASSET	7	6
	$ 2,202	$ 1,909
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 156	$ 61
Revenue sharing - Province of Manitoba	250	-
Vacation payable	261	254
Pension payable (Note 6)	767	-
	1,434	315
PENSION LIABILITY (Note 6)	-	802
SEVERANCE LIABILITY(Note 7)	315	285
TRUST LIABILITY	7	6
	1,756	1,408
EQUITY		
RETAINED EARNINGS	446	501
	$ 2,202	$ 1,909

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS

(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Recoveries	$ 4,155	$ 3,600
Interest and other	44	48
	4,199	3,648
EXPENSES		
Advertising and promotion	6	5
Amortization	31	25
Communications	38	34
Computer	37	38
Desktop management initiative	208	189
Law Society dues	36	32
Law cases disbursements	-	24
Miscellaneous	5	2
Occupancy	150	114
Office	49	48
Postage and deliveries	11	12
Professional fees and services	45	59
Publications	15	16
Equipment rental	4	4
Travel	27	27
Wages and benefits	3,092	2,975
	3,754	3,604
NET EARNINGS FOR THE YEAR	445	44
RETAINED EARNINGS, beginning of year	501	957
	946	1,001
REVENUE SHARING - PROVINCE OF MANITOBA	500	500
RETAINED EARNINGS, end of year	$ 446	$ 501

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 445	$ 44
Adjustments for		
Amortization	31	25
	476	69
Changes in non-cash working capital balances		
Accounts receivable	(256)	450
Term deposits - pension trust	(902)	-
Accounts payable and accrued liabilities	95	31
Revenue sharing - Province of Manitoba	250	-
Vacation payable	7	25
Pension payable	767	-
	437	575
FINANCING ACTIVITIES		
Change in pension liability (Note 6)	(802)	329
Change in severance liability	30	32
Revenue sharing - Province of Manitoba	(500)	(500)
	(1,272)	(139)
INVESTING ACTIVITIES		
Capital asset additions	(54)	(19)
Change in term deposits - pension trust	668	(196)
Change in deferred contribution - Province of Manitoba	126	(126)
	740	(341)
CHANGE IN CASH AND SHORT TERM DEPOSITS	(95)	95
CASH AND SHORT TERM DEPOSITS, beginning of year	355	260
CASH AND SHORT TERM DEPOSITS, end of year	$ 260	$ 355

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

1. NATURE OF ORGANIZATION

The role of Civil Legal Services ("CLS") flows from the constitutional and statutory responsibilities of the Minister of Justice as the Chief Legal Advisor to government and the guardian of the public interest. Acting pursuant to government policy, Civil Legal Services is responsible for providing a full range of high quality legal services, on a cost recovery basis, to its clients, namely the Government of Manitoba, the government's agencies, boards and committees and some Crown corporations.

On April 1, 1992, CLS became the first government legal services office in Canada to recover the cost of providing legal services to its clients. While a number of provinces and the federal government are currently looking at the issue of cost recovery for in-house legal services, CLS remains the only government legal services office to operate on this basis.

Effective April 1, 1995, CLS was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

CLS is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from CLS operations. It finances CLS through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigourous planning and reporting requirements afforded by Special Operating status, assists CLS to sustain the provision of high quality legal services to its clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to CLS to manage and account for CLS related assets and operations on behalf of the Financing Authority.

CLS continues to be part of Manitoba Justice under the general direction of the Associate Deputy Minister, and ultimately the policy direction of the Deputy Minister and Minister.

CLS remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

CLS is economically dependent on the Province of Manitoba because it derives most of its revenue from the Province and all of its financing requirements through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with generally accepted accounting principles. The significant accounting policies are summarized as follows:

Capital Assets: Capital assets are recorded at cost and are amortized over their estimated useful lives as follows:

Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold improvements	20% straight line

3. FINANCING ARRANGEMENTS

The Special Operating Agencies Financing Authority has provided the Agency with an authorized line of working capital of $500 of which $nil was used at March 31, 2001.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

4. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 7)

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2001	2000
Vacation Entitlements	$ 140	$ 140
Severance Pay Benefits	239	239
	$ 379	$ 379

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2001	Net Book Value 2000
Furniture and Fixtures	$ 135	$ 61	$ 74	$ 58
Leasehold improvements	53	35	18	11
	$ 188	$ 96	$ 92	$ 69

6. PENSION LIABILITY

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as a Special Operating Agency (SOA). The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service, as well as as for any variance resulting from the calculation.

The Agency has invested funds in term deposits with the intention that these funds will be used to meet their pension obligations.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $893 as at March 31, 2001 (2000 - $802).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contributions from the Province of $126 was reclassified as a current liability. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

7. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability at April 1, 1998 calculated at $248 was completely offset by a receivable from the Province. There are no fixed terms of payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated from $294 to $285 and the receivable from the Province was restated from $248 to $239 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $315 as at March 31, 2001.

8. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2002 are estimated to be $187 (2001 - $150).

The Agency is also leasing computers from the Province of Manitoba under the Desktop Program. The future estimated lease payments as follows:

Year	Amount
2002	$ 224
2003	112
	$ 336

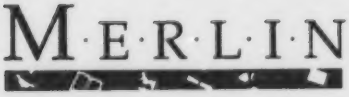
9. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the classifications used in the current year.

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2001	2000
I. Allen	Legal Counsel	$ 79	$ -
E. Andres	Legal Counsel	81	77
J. Barak	Legal Counsel	80	52
A. Berg	Legal Counsel	84	83
T. Bjornson	Legal Counsel	61	55
T. Brothers	Legal Counsel	50	-
I. Frost	Legal Counsel	81	80
D. Gisser	Legal Counsel	81	80
M.Goska	Legal Counsel	-	59
D. Guenette	Legal Counsel	56	52
T. Hague	Director	92	91
G. Hannon	Legal Counsel	81	80
B. Jones	Legal Counsel	53	-
J. Kapac	Legal Counsel	80	76
L. Lavoie	Legal Counsel	-	52
D. Lofendale	Legal Counsel	74	73
W. McFetridge	Legal Counsel	84	83
M. McGunigal	Legal Counsel	60	-
G. Mildren	Legal Counsel	84	83
S. Pierce	Legal Counsel	81	80
C. Romeo	Legal Counsel	85	77
D. Seale	Legal Counsel	55	52
A. Stevens	Legal Counsel	-	63
M. Webb	Legal Counsel	74	67
D. Werthman	Legal Counsel	73	66
R. Winters	Legal Counsel	81	80



FINANCIAL STATEMENTS

March 31, 2001

BDO Dunwoody LLP
Chartered Accountants
and Consultants

The accompanying financial statements are the responsibility of the Management of Manitoba Education, Research and Learning Information Networks (MERLIN) and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to June 5, 2001.

Management maintains internal controls to properly safeguard MERLIN's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The Auditors' responsibility is to express an independent opinion on whether the financial statements of MERLIN are fairly presented in accordance with generally accepted accounting principles. The Auditor's report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

GREG BAYLIS
Chief Operating Officer

W. WAYNE LAVALLEE
Comptroller

Manitoba Education, Research and Learning Information Networks (MERLIN)

June 5, 2001

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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BDO

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AUDITORS' REPORT

TO THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY:

We have audited the balance sheet of **MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at **MARCH 31, 2001** and the statements of income and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at **MARCH 31, 2001**, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Winnipeg, Manitoba
June 5, 2001

CHARTERED ACCOUNTANTS

BDO Dunwoody LLP *is a Limited Liability Partnership registered in Ontario*

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(In Thousands)
March 31, 2001

	2001	2000
ASSETS		
CURRENT		
Short-term deposits (Note 9)	191	
Accounts receivable (Note 3)	$ 574	1,041
Prepaid expenses	30	4
Inventory	2	
	797	1,045
RESTRICTED SHORT-TERM DEPOSITS (Note 9)		138
RECEIVABLE FROM THE PROVINCE OF MANITOBA (Note 4)	47	47
CAPITAL ASSETS (Notes 2 and 5)	296	187
	1,140	1,417
LIABILITIES		
CURRENT		
Working capital advances (Note 6)	286	679
Accounts payable and accrued expenses (Note 9)	750	600
Accrued vacation entitlements (Note 7)	83	72
Unearned revenue	64	79
Trust liabilities (Note 8)	261	100
	1,444	1,530
EMPLOYEE PENSION BENEFITS (Note 9)		181
SEVERANCE PAY LIABILITY (Note 10)	46	40
	1,490	1,751
COMMITMENTS (Note 12)		
EQUITY		
DEFICIT (Page 3)	(350)	(334)
	$ 1,140	1,417

BDO

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF INCOME AND DEFICIT
(In Thousands)

	Year Ended March 31, 2001	Nine Months Ended March 31, 2000
REVENUE		
Audio and video delivery	$ 159	104
Manitoba Education, Training and Youth (Note 11)	493	385
Internet delivery, installation and technology planning	921	1,258
Training	17	18
Webmaster services	157	84
Interest	10	
	1,757	1,849
EXPENSES		
Administrative (Page 9)	281	171
Allocation to Campus Manitoba	48	36
Audio and video delivery	63	36
Bad debts	6	15
Interest	21	16
Internet access and support	405	863
Marketing	7	3
Salaries and employee benefits	863	629
Travel	62	20
Training delivery	17	3
Satellite expenses (recovery)		(43)
	1,773	1,749
NET INCOME (LOSS) FOR YEAR	(16)	100
DEFICIT, BEGINNING OF YEAR	(334)	(434)
DEFICIT, END OF YEAR (Page 2)	$ (350)	(334)

BDO

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOWS
(In Thousands)

	Year Ended March 31, 2001	Nine Months Ended March 31, 2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for year	$ (16)	100
Adjustment for		
Amortization	81	46
	65	146
Changes in non-cash working capital		
Accounts receivable	465	1,900
Prepaid expenses	(26)	1
Accounts payable and accrued expenses	150	(429)
Accrued vacation entitlements	11	12
Trust fund liability	161	100
Pension liability	(181)	70
Severance pay liability	6	5
Unearned revenue	(15)	24
	571	1,683
	636	1,829
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	(190)	(27)
Transfer to restricted short-term deposits	(53)	(138)
	(243)	(165)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt		(12)
NET INCREASE IN CASH AND CASH EQUIVALENTS	393	1,652
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(679)	(2,331)
CASH AND CASH EQUIVALENTS, END OF YEAR	$ (286)	(679)

BDO

1. NATURE OF ORGANIZATION

Effective April 1, 1995, Manitoba Education, Research and Learning Information Networks (MERLIN) was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

A Management Agreement between SOAFA and the Minister of Education, Training and Youth assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency continues to be part of Manitoba Education, Training and Youth under the general and policy direction of the Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba as it derives much of its revenue and all of its financing requirements from the Province.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost and are amortized annually on a straight-line basis as follows:

Computer hardware	- 20%
Computer software	- 20%
Equipment and furniture	- 20%

In the period of acquisition, amortization is calculated at one-half the rate indicated.

BDO

3. ACCOUNTS RECEIVABLE

		2001	2000
Trade and other	$	596	510
Canada-Manitoba Infrastructure Works Project		64	602
		660	1,112
Allowance for doubtful accounts		86	71
	$	574	1,041

4. RECEIVABLE FROM THE PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to designation as a Special Operating Agency and for severance pay benefits prior to March 31, 1998. The balance is comprised of:

		2001	2000
Vacation entitlements	$	19	19
Severance pay benefits		28	28
	$	47	47

5. CAPITAL ASSETS

		2001		2000	
		Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware	$	328	123	160	76
Computer software		65	33	57	21
Equipment and furniture		121	62	107	40
		514	218	324	137
Cost less accumulated amortization	$		296		187

6. WORKING CAPITAL ADVANCES

These advances are provided to the Agency through the Special Operating Agencies Financing Authority pursuant to the Management Agreement. The Agency has an authorized line of working capital advances of $2.0 million.

BDO

7. ACCRUED VACATION ENTITLEMENTS

The Agency follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1998. The liability at this date is offset by a receivable from the Province and was $19 as at March 31, 1998. Any subsequent changes to the entitlement are reflected as a current year expense to the Agency. At the end of the fiscal year 2000/2001 the accrued vacation entitlement was $83.

8. TRUST LIABILITIES

		2001	2000
Campus Manitoba	$	43	34
Grassroots Internet		218	66
	$	261	100

Campus Manitoba represents the balance remaining of funds received from Manitoba Education, Training and Youth for distance education costs.

During the previous fiscal year the Agency entered into an agreement with Industry Canada to operate a Grassroots Internet project for both Manitoba and Canadian Schools. The balance in the account represents funds paid to the Agency but not yet disbursed to the schools.

9. EMPLOYEE PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by their employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba, which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as an SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $203 as at March 31, 2001 (2000 - $181).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution to the Province was reclassified as Accounts Payable. The Agency will transfer funds equal to the net amount to the Province in 2001 - 2002.

BDO

10. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $27 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $40 and the receivable from the Province was restated to $28 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $46 as at March 31, 2001.

11. REVENUE - MANITOBA EDUCATION, TRAINING AND YOUTH

The Agency is responsible for the delivery of distance education and technology programs formerly provided through the Manitoba Education, Training and Youth. The Agency receives a fee from the Department, established annually and paid quarterly, in exchange for delivery of these services.

12. COMMITMENTS

The Agency leases office space and certain equipment under long-term leases which expire at various dates. The future minimum payments required under these leases over the next three fiscal years are:

2002	$	27
2003		3
2004		2

13. CHANGE OF FISCAL YEAR END

During the 2000 fiscal period the Agency changed its fiscal year end to March 31 from June 30 to coincide with the year end of the Special Operating Agencies Financing Authority and the Province of Manitoba. Accordingly, the results of operations are for the year ended March 31, 2001 with comparative figures for the nine months ended March 31, 2000.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF ADMINISTRATIVE EXPENSES
(In Thousands)

	Year Ended March 31, 2001	Nine Months Ended March 31, 2000
Amortization	$ 81	46
Hospitality	1	1
Occupancy	37	25
Office equipment leases	16	10
Office and sundry	90	52
Professional fees	33	6
Staff training		14
Telephone	23	17
	$ 281	171

BDO

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(In Thousands)
Year ended March 31, 2001

EMPLOYEE	TITLE	COMPENSATION 2001
Dan Kerr	Chief Operating Officer (Past)	$ 84
Grant Wallin	Senior Consultant	74
Wilson Anderson	Senior Consultant	74
Patrick Hoger	Senior Technology Specialist	68
Skeifa Burke	Consultant	64
Cathy Ackland	Conference Coordinator	59
Wayne Lavallee	Comptroller	58
John Hiebert	Consultant	55
Debra Jennings	Regional Representative	55
Colette Lafond - D'Heilly	Communications & Marketing Manager	54
Greg Baylis	Chief Operating Officer (Current)	51

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.

LAND MANAGEMENT SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2001

Land Management Services
an Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by Magnus & Buffie, Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Rae P. Caversko
A/Chief Operating Officer

Normand Le Neal
Finance Officer

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2001

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MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Land Management Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and cash flow for the year then ended in accordance with generally accepted accounting principles.

Magnus & Buffie

June 6, 2001

CHARTERED ACCOUNTANTS

906 – 386 BROADWAY • WINNIPEG, MANITOBA • R3C 3R6 • PHONE (204) 942-4441 • FAX (204) 944-0400

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 899	$ -
Accounts receivable	206	439
Work in process	69	92
Prepaid expenses	9	21
	1,183	552
TERM DEPOSITS (Note 6)	-	385
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 3 and 7)	324	324
DEFERRED CONTRIBUTION - PROVINCE OF MANITOBA (Note 6)	-	68
CAPITAL ASSETS (Note 4)	439	597
	$ 1,946	$ 1,926
LIABILITIES		
CURRENT LIABILITIES		
Working capital payable (Note 5)	$ -	$ 271
Accounts payable and accrued liabilities	272	365
Accounts payable - Province of Manitoba (Note 6)	396	-
	668	636
LONG TERM LIABILITIES		
Accrued pension liability (Note 6)	-	451
Severance pay liability (Note 7)	229	209
	229	660
FUNDS HELD IN TRUST	77	86
	974	1,382
EQUITY		
RETAINED EARNINGS	972	544
	$ 1,946	$ 1,926

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF INCOME AND RETAINED EARNINGS

(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
RECOVERIES	$ 3,153	$ 2,736
OTHER INCOME	25	16
INCOME BEFORE EXPENSES	3,178	2,752
EXPENSES		
Administrative (Page 9)	745	836
Operating (Page 9)	120	129
Wages and benefits	1,385	1,579
	2,250	2,544
NET INCOME FOR THE YEAR	928	208
RETAINED EARNINGS, beginning of year	544	836
	1,472	1,044
REVENUE SHARING - PROVINCE OF MANITOBA	500	500
RETAINED EARNINGS, end of year	$ 972	$ 544

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net income for the year	$ 928	$ 208
Adjustments for		
Amortization	192	175
Severance pay expense	20	10
Loss on disposal of fixed assets	-	32
	1,140	425
Changes in non-cash working capital balances		
Accounts receivable	233	78
Accounts receivable - Province of Manitoba	-	(72)
Work in process	23	139
Prepaid expenses	12	218
Accounts payable and accrued liabilities	303	(229)
	1,711	559
FINANCING ACTIVITIES		
Change in accrued pension liability (Note 6)	(451)	165
Revenue sharing - Province of Manitoba	(500)	(500)
Change in funds held in trust	(9)	54
	(960)	(281)
INVESTING ACTIVITIES		
Capital Asset Additions	(34)	(258)
Change in term deposits	385	(99)
Change in deferred contribution - Province of Manitoba	68	-
	419	(357)
CHANGE IN CASH AND SHORT TERM DEPOSITS	1,170	(79)
CASH AND SHORT TERM DEPOSITS, beginning of year	(271)	(192)
CASH AND SHORT TERM DEPOSITS, end of year	$ 899	$ (271)

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

1. NATURE OF ORGANIZATION

In 1965, The Land Acquisition Act was passed into law, bringing the Land Acquisition Branch into existence to provide a consistent process of real estate acquisition by government

Effective April 1, 1995, the Land Acquisition Branch, under the operating name Land Management Services ("LMS"), was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

LMS is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from LMS operations. It finances LMS through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigourous planning and reporting requirements afforded by Special Operating status, assist LMS to sustain the provision of high quality land acquisition services to its clients.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to LMS to manage and account for LMS related assets and operations on behalf of the Financing Authority.

LMS continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, and ultimately the policy direction of the Deputy Minister and Minister of Transportation and Government Services.

LMS remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

LMS is economically dependent on the Province of Manitoba because it derives most of its revenue and all of its financing requirements from the Province through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the LMS have been prepared in accordance with generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Capital Assets

Capital assets are recorded at cost and are amortized annually at the following rates and bases:

Computer software and equipment	20% straight line basis, 10% in year of acquisition
Equipment - office	20% straight line basis, 10% in year of acquisition

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

3. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 7)

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2001	2000
Vacation entitlements	$ 132	$ 132
Severance pay benefits	192	192
	$ 324	$ 324

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2001	Net Book Value 2000
Computer software and equipment	$ 985	$ 568	$ 417	$ 580
Equipment - office	52	30	22	17
	$ 1,037	$ 598	$ 439	$ 597

5. WORKING CAPITAL

LMS has an authorized line of working capital of $800, none of which was accessed at March 31, 2001 (2000 - $271)

6. ACCRUED PENSION LIABILITY

Employees of the Agency are eligible for pension benefits in accordance with provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as a Special Operating Agency (SOA). The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

The Agency restated its pension liability as at March 31, 1999 to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $68 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Deferred Contributions - Province of Manitoba". The comparative figures have been restated to reflect the change. There was no effect on pension benefit expense for the year ended March 31, 2000.

An actuarial valuation of the Agency's pension liability to its employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $464 as at March 31, 2001 (2000 - $451).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contributions from the Province was reclassified as accounts payable. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

7. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $188 was completely offset by a receivable from the Province. There are no fixed terms for payment.

Am actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $209 and the receivable from the Province was restated to $192 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $229 as at March 31, 2001.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

8. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 25 Tupper Street N. Occupancy charges for the year ending March 31, 2002 are estimated to be $98 (2001 - $98).

The Agency is also leasing computers from the Province of Manitoba under the Desktop Program. The leases expire in December 2003, with future estimated lease payments as follows:

Year	Amount
2002	$ 62
2003	62
2004	47
	$ 171

9. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to classifications used in the current year.

SCHEDULE OF EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
ADMINISTRATIVE		
Amortization	$ 192	$ 175
Computer maintenance	276	276
Contributed services	17	101
Human resources overhead	18	18
Occupancy costs	108	117
Other	15	39
Supplies	109	101
Training	10	9
	$ 745	$ 836
OPERATING		
Printing, postage and advertising	$ 22	$ 23
Professional fees	16	36
Telephone	29	34
Travel	53	36
	$ 120	$ 129

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2001	2000
Doug Parnell	Chief Operating Officer	$ -	$ 77
Raeburn Csversko	Acting Chief Operating Officer	65	61
Garfield Minkus	Property Appraiser	55	57
Wes Shewchuk	Property Appraiser	56	53
Scott Millar	Property Appraiser	54	53
Richard Staub	Property Appraiser	54	54
Jerry McLeod	Property Appraiser	-	50
Normand Le Neal	Controller	51	-

PINELAND FOREST NURSERY

FINANCIAL STATEMENTS

MARCH 31, 2001

Pineland
Forest Nursery

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of the management of Pineland Forest Nursery and have been prepared in accordance with generally accepted accounting principles. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data up to May 24, 2001.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor is to express an independent opinion on whether the financial statements of Pineland Forest Nursery are fairly represented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Ivan J. Balenovic
Chief Executive Officer

May 24, 2001

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PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2001

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MAGNUS & BUFFIE
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Pineland Forest Nursery, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and cash flow for the year then ended in accordance with generally accepted accounting principles.

Magnus & Buffie

May 24, 2001

CHARTERED ACCOUNTANTS

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PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT ASSETS		
Cash	$ 6	$ 4
Receivables (Note 3)	197	192
Term deposits (Note 8)	301	-
Unbilled revenue	194	221
Inventory	149	157
Prepaids	32	31
	879	605
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 4 and 9)	187	249
TERM DEPOSITS (Note 8)	-	284
CAPITAL ASSETS (Note 5)	2,854	3,021
	$ 3,920	$ 4,159
LIABILITIES		
CURRENT LIABILITIES		
Working capital payable (Note 6)	$ 2,063	$ 2,041
Accounts payable and accrued	195	215
Pension payable (Note 8)	330	-
Current portion of long term debt	39	69
	2,627	2,325
LONG TERM DEBT (Note 7)	141	180
PENSION BENEFITS (Note 8)	-	455
SEVERANCE PAY BENEFITS (Note 9)	109	109
	2,877	3,069
EQUITY		
CONTRIBUTED EQUITY (Note 10)	356	356
RETAINED EARNINGS	687	734
	1,043	1,090
	$ 3,920	$ 4,159

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS

(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Private Sector	$ 1,321	$ 1,815
Overwinter	559	741
Current	-	3
Bareroot	181	172
Seed services	43	-
Tree improvement	6	30
Poplar program	15	28
Other	2,125	2,789
Province of Manitoba	964	971
Overwinter	298	87
Current	76	350
Bareroot	14	1
Seed services	14	4
Tree improvement	20	33
Other	1,386	1,446
Term deposit interest	17	12
	3,528	4,247
EXPENSES		
Salaries and benefits	1,668	2,036
Supplies	440	489
Natural gas and hydro	368	422
Repairs and maintenance	188	313
Property taxes and insurance	73	73
Office	97	70
Departmental services and professional fees	41	53
Freight	80	49
Travel	48	37
Marketing	18	18
Miscellaneous	2	7
Amortization	380	414
Interest - operating loan	153	125
Interest - capital loan	19	22
	3,575	4,128
NET (LOSS) EARNINGS FOR THE YEAR	(47)	119
RETAINED EARNINGS, beginning of year	734	615
RETAINED EARNINGS, end of year	$ 687	$ 734

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net (loss) earnings for the year	$ (47)	$ 119
Adjustment for		
Amortization	380	414
	333	533
Changes in non-cash working capital balances		
Receivables	(5)	48
Term deposits	(301)	-
Unbilled revenue	27	(3)
Inventory	8	(64)
Prepaids	(1)	12
Accounts payable and accrued	(20)	(12)
Pension payable	330	-
	371	514
FINANCING ACTIVITIES		
Change in pension benefits	(455)	121
Change in severance pay benefits	-	(14)
Long term debt repayment	(69)	-
	(524)	107
INVESTING ACTIVITIES		
Acquisition of capital assets	(213)	(310)
Change in term deposits	284	(12)
Change in receivable from Province of Manitoba	62	-
	133	(322)
CHANGE IN CASH AND EQUIVALENTS	(20)	299
CASH AND EQUIVALENTS, beginning of year	(2,037)	(2,336)
CASH AND EQUIVALENTS, end of year (Note 11)	$ (2,057)	$ (2,037)

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

1. NATURE OF ORGANIZATION

In 1953, Pineland Provincial Forest Nursery was established to meet all the nursery stock requirements of the province at one location. Prior to 1953 there were several small nurseries located throughout the province.

Effective April 1, 1995, Pineland Forest Nursery was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council.

Pineland Forest Nursery is financed through the Special Operating Agencies Financing Authority (Financing Authority). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations.

A Management Agreement between the Financing Authority and the Minister of Conservation assigns responsibility to the Agency to manage and account for the agency related assets and operations on behalf of the Financing Authority.

Pineland Forest Nursery continues to be part of Manitoba Conservation under the general direction of the Assistant Deputy Minister of Conservation and ultimately the policy direction of the Deputy Minister and the Minister.

Pineland Forest Nursery remains bound by relevant legislation and regulations. It is also bound by administrative policy, except where specific exemptions have been provided for in its charter in order to meet business objectives.

Pineland Forest Nursery is economically dependent on the Province of Manitoba, because it derives a significant portion of its revenue from the Province and all of its financing requirements through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements of the Agency have been prepared in accordance with generally accepted accounting principles. The significant accounting policies are summarized as follows:

(a) Inventory

Supplies inventory is valued at the lower of cost and replacement cost.

(b) Capital Assets

Capital assets are amortized over their estimated useful lives as follows:

	Rate	Method
Greenhouses, coldframes, freezers, holding area, minor service buildings, major pumphouse, major service buildings, propane conversion	10%	Declining balance
Equipment	20%-30%	Declining balance

(c) Revenue Recognition

Revenues are recognized on a percentage of completion basis. Any excess of revenue recorded on a percentage of completion basis over amounts billed is recorded as unbilled revenue.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

3. RECEIVABLES

	2001	2000
Province of Manitoba	$ -	$ 36
Other	197	156
	$ 197	$ 192

4. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency, for severance pay benefits prior to April 1, 1998 and for adjustments to the pension benefits liability for which the Province has accepted responsibility (Note 8). The balance is comprised of:

	2001	2000
Vacation entitlements	$ 99	$ 99
Severance pay benefits	88	88
Pension benefits	-	62
	$ 187	$ 249

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2001	Net Book Value 2000
Buildings	$ 3,681	$ 1,435	$ 2,246	$ 2,423
Equipment	1,188	580	608	598
	$ 4,869	$ 2,015	$ 2,854	$ 3,021

6. WORKING CAPITAL PAYABLE

The Financing Authority has provided the Agency with an authorized line of working capital of $3,000 of which $2,063 (2000 - $2,041) was advanced at March 31, 2001.

7. LONG TERM DEBT

The Financing Authority assumed a loan payable to the Province of Manitoba on behalf of the Agency as specified in the Management Agreement. The loan payable was issued for $356 at an interest rate of 9% repayable by the Agency in annual instalments of $55, principal and interest maturing in 2005.

Principal repayments in each of the next four years are as follows:

Year	Amount
2002	$ 39
2003	43
2004	47
2005	51
	$ 180

8. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as a Special Operating Agency (SOA). The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province). which accepts responsibility for pension liability for prior service, as well as as for any variance resulting from the calculation.

The Agency has invested funds in term deposits with the intention that these funds will be used to meet their pension obligations.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as an SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $392 as at March 31, 2001 (2000 - $455).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the pension receivable from the Province of $62 was reclassified as a current liability. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

9. SEVERANCE PAY BENEFITS

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $142 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance liability as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated from $163 to $109 and the receivable from the Province was restated from $142 to $88 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $109 as at March 31, 2001.

10. CONTRIBUTED EQUITY

The Special Operating Agencies Financing Authority and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of inventory and capital assets valued at $712 required for the continuing operations of Pineland Forest Nursery as at March 31, 1995. The Agency is responsible to repay the Special Operating Agencies Financing Authority the debt portion, in the amount of $356 (being 1/2 of the value of the assets) and to record the remainder as Manitoba's equity in the Financing Authority as related to the Agency's operations.

11. CASH AND EQUIVALENTS

	2001	2000
Cash	$ 6	$ 4
Working capital payable	(2,063)	(2,041)
	$ (2,057)	$ (2,037)

PINELAND FOREST NURSERY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2001	2000
Ivan Balenovic	Chief Executive Officer	$ 75	$ 69

COMPANIES OFFICE

FINANCIAL STATEMENTS

MARCH 31, 2001

REPONSIBILITY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On Behalf of Management;

Myron Pawlowsky
Chief Operating Officer

Dave Rudy
Controller

MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Companies Office, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and cash flow for the year then ended in accordance with generally accepted accounting principles.

Magnus & Buffie

May 14, 2001

CHARTERED ACCOUNTANTS

906 – 386 BROADWAY • WINNIPEG, MANITOBA • R3C 3R6 • PHONE (204) 942-4441 • FAX (204) 944-0400

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT ASSETS		
Cash and Short Term Deposits	$ 1,851	$ 2,505
Accounts Receivable (Note 4)	163	102
Prepaids	16	14
	2,030	2,621
DEFERRED CONTRIBUTION - PROVINCE OF MANITOBA (Note 7)	-	44
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 5 and 8)	218	218
CAPITAL ASSETS (Note 6)	27	18
	$ 2,275	$ 2,901
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued	$ 62	$ 88
Accounts Payable - Province of Manitoba (Note 7)	297	-
Accrued Vacation Entitlements	132	123
	491	211
LONG TERM LIABILITIES		
Accrued Pension Liability (Note 7)	-	284
Severance Pay Liability (Note 8)	177	160
	177	444
CONTINGENT LIABILITY (Note 9)	-	-
	668	655
EQUITY		
RETAINED EARNINGS	1,607	2,246
	$ 2,275	$ 2,901

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Fees and Services	$ 3,913	$ 3,814
Less: Gazette Advertising	(266)	(268)
	3,647	3,546
Interest	115	90
	3,762	3,636
EXPENSES		
Salaries and Employee Benefits	1,247	1,195
Operating Expenses (Page 8)	647	605
Amortization - Capital Assets	7	7
	1,901	1,807
NET EARNINGS FOR THE YEAR	1,861	1,829
RETAINED EARNINGS, Beginning of Year	2,246	1,667
	4,107	3,496
REVENUE SHARE TO PROVINCE OF MANITOBA	2,500	1,250
RETAINED EARNINGS, End of Year	$ 1,607	$ 2,246

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net Earnings for the Year	$ 1,861	$ 1,829
Adjustments for		
Amortization - Capital Assets	7	7
Severance Pay Expense	17	13
	1,885	1,849
Changes in Non-Cash Working Capital Balances		
Accounts Payable and Accrued Liabilities	271	(320)
Accounts Receivable	(61)	(41)
Prepaid Expenses	(2)	-
Accrued Vacation Entitlements	9	6
	2,102	1,494
FINANCING ACTIVITIES		
Change in Accrued Pension Liability (Note 7)	(284)	73
Revenue Share to Province of Manitoba	(2,500)	(1,250)
	(2,784)	(1,177)
INVESTING ACTIVITIES		
Capital Asset Additions	(16)	-
Change in Deferred Contribution - Province of Manitoba	44	-
	28	-
CHANGE IN CASH AND SHORT TERM DEPOSITS	(654)	317
CASH AND SHORT TERM DEPOSITS, Beginning of Year	2,505	2,188
CASH AND SHORT TERM DEPOSITS, End of Year	$ 1,851	$ 2,505

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

1. NATURE OF ORGANIZATION

Effective April 1, 1996, the Lieutenant Governor in Council designated the Companies Office as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council. Another Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a management agreement with respect to the Agency. The management agreement assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA. SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

The Companies Office continues to be part of Manitoba Consumer and Corporate Affairs under the general direction of the Minister, Consumer and Corporate Affairs, and the Deputy Minister who is also Chairperson of the Companies Office Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with generally accepted accounting principles.

Capital Assets: Capital assets are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Office Equipment	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)

3. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $100 limit in working capital advances. The Agency did not access working capital advances during the year.

4. ACCOUNTS RECEIVABLE

	2001	2000
Trade	$ 91	$ 15
Accrued Revenue	72	87
	$ 163	$ 102

5. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 8)

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2001	2000
Vacation Entitlements	$ 92	$ 92
Severance Pay Benefits	126	126
	$ 218	$ 218

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2001	2000
Computer Equipment and Software	$ 27	$ 19	$ 8	$ 14
Office Equipment	9	4	5	3
Furniture and Fixtures	16	2	14	1
	$ 52	$ 25	$ 27	$ 18

7. ACCRUED PENSION LIABILITY

Employees of the Agency are eligible for pension benefits in accordance with provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as a Special Operating Agency (SOA). The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

The Agency restated its pension liability as at March 31, 1999 to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $44 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Deferred Contributions - Province of Manitoba". The comparative figures have been restated to reflect the change. There was no effect on pension benefit expense for the year ended March 31, 2000.

An actuarial valuation of the Agency's pension liability to its employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $341 as at March 31, 2001 (2000 - $284).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contributions from the Province was reclassified as accounts payable. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2001

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $170 was completely offset by a receivable from the Province. There are no fixed terms for payment.

Am actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $160 and the receivable from the Province was restated to $126 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $177 as at March 31, 2001.

9. CONTINGENT LIABILITY

The Agency has been a participant in the development of the Province of Manitoba's Better Systems Initiative (BSI). To date, the project has incurred significant development costs, all of which have been absorbed by the Province of Manitoba. It is uncertain at this time whether any of the costs associated with the project will become the responsibility of the Agency and an estimate of any potential liability cannot be determined.

10. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2002 are estimated to be $112 (2001 - $112).

The Agency is also leasing computers from the Province of Manitoba under the Desktop Program. The leases expire in December 2003, with future estimated lease payments as follows:

Year	Amount
2002	$ 96
2003	96
2004	72
	$ 264

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Accounting	$ 7	$ 3
Audit	4	4
Bad Debts	2	1
Bank Charges	5	4
Communications	27	27
Computer	86	86
Department Services	8	12
Desktop	72	52
Equipment Maintenance and Rentals	13	9
Insurance	11	11
Legal Services	8	2
Miscellaneous	8	9
NUANS	164	158
Office Rent	112	114
Payroll Processing	4	3
Postal and Courier	41	42
Programmers	24	23
Stationery	42	40
Transportation	9	5
	$ 647	$ 605

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2001

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum This information follows:

EMPLOYEE	TITLE	COMPENSATION 2001	COMPENSATION 2000
Myron Pawlowsky	Chief Operating Officer	$ 76	$ 74
Joan Alty	Deputy Director - Legal	60	52
Shane Lasker	Acting Deputy Director - Legal	57	53
Dave Rudy	Controller	51	-

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements
March 31, 2001

Manitoba

Education, Training and Youth

Manitoba Text Book Bureau

130-1st Avenue West
P.O. Box 910
Souris, MB R0K 2C0
CANADA

TEL. (204) 483-4040
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1-800-305-5515 (MB only)

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding necessary estimates and all other data available.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Bureau are properly safeguarded. Staff at the Provincial Auditor's Office review internal controls and reports their findings to management.

The responsibility of the Provincial Auditor is to express an independent, professional opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Lanny Kingerski
Chief Operating Officer

Denis Labossiere, C.G.A.
Controller

Souris, Manitoba
May 18, 2001

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Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of The Manitoba Text Book Bureau, An Agency of the Special Operating Agencies Financing Authority as at March 31, 2001 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bureau as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Provincial Auditor

Office of the Provincial Auditor

Winnipeg, Manitoba
May 18, 2001

2001
International Year of Volunteers

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(in thousands)

March 31	2001	2000
Assets		
Current		
Cash and cash equivalents	$ 21	$ 176
Short-term investments (Note 7)	121	70
Accounts receivable	603	613
Inventory	3,087	1,834
Prepaid expenses	14	12
	3,846	2,705
Receivable from Province of Manitoba (Note 8)	64	64
Deferred contributions – Province of Manitoba (Note 7)	0	15
Capital assets (Note 3)	116	133
	$ 4,026	$ 2,917
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 883	$ 641
Accounts payable to Province of Manitoba (Note 7)	114	0
Customer deposit accounts	206	264
Working capital advance (Note 10)	2,151	1,234
	3,354	2,139
Accrued pension liability (Note 7)	0	96
Accrued severance liability (Note 8)	40	46
	3,394	2,281
Equity		
Contributed equity (Note 4)	550	550
Retained earnings	82	86
	632	636
	$ 4,026	$ 2,917

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Income and Retained Earnings

(in thousands)
Year Ended March 31

	2001	2000
Sales	$ 8,214	$ 8,332
Cost of goods sold:		
Inventory, beginning of year	1,834	2,101
Purchases	8,214	6,826
Transportation in	43	36
	10,091	8,963
Inventory, end of year	3,086	1,834
Cost of goods sold	7,005	7,129
Gross profit	1,209	1,203
General and administrative expenses		
Amortization	34	28
Audit	6	1
Computer expense	66	57
Employee benefits	77	74
Interest	128	89
Marketing	21	20
Office	37	34
Office occupancy	59	56
Postage	6	6
Salaries	367	407
Telephone	15	16
Training	3	5
Transportation out	96	88
Travel	18	10
Warehouse occupancy	110	108
Warehouse service	170	228
	1,213	1,227
Net loss	$ (4)	$ (24)
Retained earnings, beginning of year	$ 86	$ 110
Net loss	(4)	(24)
Retained earnings, end of year	$ 82	$ 86

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(in thousands)

Year Ended March 31	2001	2000
Increase (decrease) in cash and cash equivalents		
Operating		
Net loss for the year	$ (4)	$ (24)
Amortization	34	28
	30	4
Changes in		
Short-term investments	(51)	(70)
Accounts receivable	10	241
Inventory	(1,253)	267
Prepaid expenses	(2)	3
Accounts payable and accrued liabilities	242	196
Accounts payable to Province of Manitoba	114	0
Customer deposit accounts	(58)	(259)
	(968)	382
Investing		
Acquisition of capital assets	(17)	(98)
Financing		
Receivable from Province of Manitoba	0	(1)
Deferred contributions - Province of Manitoba	15	(15)
Accrued pension liability	(96)	45
Accrued severance liability	(6)	(6)
Changes in working capital advance	917	(143)
	830	(120)
Net increase (decrease) in cash and cash equivalents	(155)	164
Cash and cash equivalents, beginning of year	176	12
Cash and cash equivalents, end of year	$ 21	$ 176

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)
For the year ended March 31, 2001

1. Nature of operations

In 1931, the Manitoba Text Book Bureau (MTBB) was created as a branch of the Department of Education and Training. It was established to achieve economies of scale and reduce the cost of learning resources for schools in Manitoba.

Effective April 1, 1996, the MTBB was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S 185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The MTBB is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the MTBB through working capital advances. This financial framework enables the MTBB to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Special Operating Agencies Financing Authority and the Minister of Education and Training assigns responsibility to the MTBB to manage and account for the MTBB related assets and operations on behalf of SOAFA.

The MTBB continues to be part of the Department of Education and Training under the general direction of the Assistant Deputy Minister, School Programs Division, and ultimately the policy direction of the Deputy Minister and Minister.

The MTBB remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

2. Significant accounting policies

Basis of reporting

The financial statements of the Bureau are presented in accordance with Generally Accepted Accounting Principles.

Accounting estimates and assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Significant accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued using the average unit cost method.

Capital assets

Capital Assets are recorded at cost in the year of acquisition. Rates and basis of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Office equipment, furniture and video recording equipment	20% declining balance
Computer software and equipment	20% straight line

3. Capital assets

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Computer software & equipment	$ 170	$ 84	$ 86	$ 98
Office equipment & furniture	24	18	6	5
Video recording equipment	63	39	24	30
	$ 257	$ 141	$ 116	$ 133

4. Contributed equity

SOAFA and the Government of Manitoba entered into a Transfer Agreement in connection with the transfer from Manitoba to SOAFA of assets valued at $5,240 and liabilities of $4,690 required for the continuing operations of the MTBB as at March 31, 1996. The Manitoba Text Book Bureau recorded the balance of $550 (being the value of the net assets) as Manitoba's Contributed Equity in SOAFA as related to the Bureau's operations.

5. Contractual obligations

The MTBB has contracted with Direct Distribution Centres for the provision of warehousing and distribution services for a period of one year that will expire on March 31, 2002. The total cost for the contract is $277, of which $167 is a labour and packaging supplies component, and $110 is an occupancy component.

6. Related party transactions

The MTBB is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Bureau enters into transactions with these entities in the normal course of business.

7. Employee pension liability

Employees of MTBB are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency déposited an amount equal to the employer's share of the pension liability in a separate investment account.

The Agency restated its pension liability as at March 31, 1999 to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $15 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Deferred Contributions – Province of Manitoba". The comparative figures have been restated to reflect the change. There was no effect on pension benefit expense for the year ended March 31, 2000.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $129 as at March 31, 2001 (2000 - $96).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution to the Province was reclassified as accounts payable. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)
For the year ended March 31, 2001

8. Severance pay

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $63 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $46 and the receivable from the Province was restated to $64 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $40 as at March 31, 2001.

9. Public sector compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2000, one employee received compensation in excess of $50.

Name	Position	Amount
Lanny Kingerski	Chief Operating Officer	$ 62 (2000 - $61)

10. Working capital

The Bureau has an authorized line of working capital advances of $4,000, of which $2,151 was used as of March 31, 2001 (2000 - $1,234).

11. Comparative figures

Certain of the prior year's figures have been restated to conform with the financial statement presentation adopted for the current year.

MAIL MANAGEMENT AGENCY

FINANCIAL STATEMENTS

MARCH 31, 2001

MAIL MANAGEMENT AGENCY

MARCH 31, 2001

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Mail Management Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by The Exchange Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Don Katz
Chief Operating Officer

June 19, 2001

THE EXCHANGE

chartered accountants

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Mail Management Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and changes in its financial position for the year then ended, in accordance with Canadian generally accepted accounting principles.

THE EXCHANGE

chartered accountants

Winnipeg, Manitoba
June 19, 2001

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
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MAIL MANAGEMENT AGENCY
(An Agency of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT		
Accounts receivable	$ 767	$ 699
Accounts receivable - Province of Manitoba, note 6	126	182
Prepaid expenses	43	38
	936	919
INVESTMENT PENSION	204	115
CAPITAL ASSETS, notes 2 and 3	121	117
OTHER ASSETS, notes 2 and 4	36	48
PENSION TRUST	-	48
	$ 1,297	$ 1,247
LIABILITIES		
CURRENT		
Working capital payable, note 5	$ 234	$ 227
Accounts payable and accrued liabilities	419	280
Current portion of long-term debt, note 9	1	-
Deferred revenue	2	2
	656	509
PENSION LIABILITY, note 6	-	163
SEVERANCE LIABILITY, note 7	75	99
LONG-TERM DEBT, note 9	27	-
	758	771
EQUITY		
CONTRIBUTED EQUITY, note 11	51	51
RETAINED EARNINGS	488	425
	539	476
	$ 1,297	$ 1,247

MAIL MANAGEMENT AGENCY
(An Agency of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUES		
Mail processing	$ 4,938	$ 4,674
Mail finishing	401	321
Inter department mail	679	769
Printing	25	-
Contract administrative fees	42	28
	6,085	5,792
EXPENSES		
Amortization	57	39
Bad debts	-	13
Communications	12	11
Courier	144	138
Employee benefits	81	111
Equipment rental and maintenance	38	52
Interest	34	42
Leases	67	18
Loss on disposal of capital assets	1	-
Network	27	36
Miscellaneous operating	52	23
Office	22	26
Occupancy	103	109
Postage	4,500	4,315
Professional fees	140	199
Salaries, note 8	744	722
	6,022	5,854
NET INCOME (LOSS)	63	(62)
RETAINED EARNINGS, beginning of year	425	487
RETAINED EARNINGS, end of year	$ 488	$ 425

MAIL MANAGEMENT AGENCY
(An Agency of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
OPERATING ACTIVITIES		
Cash flows from operations		
Net income (loss)	$ 63	$ (62)
Add: non-cash charges		
Amortization	57	39
	120	(23)
Changes in non-cash working capital		
Decrease (Increase) in accounts receivable	(12)	276
Decrease (Increase) in prepaid expenses	(5)	89
Decrease in pension trust	48	43
Increase (Decrease) in accounts payable and accrued liabilities	139	(156)
Decrease in deferred revenue	-	(28)
Increase (Decrease) in pension liability	(163)	72
Increase (Decrease) in severance liability	(24)	5
	(17)	301
Cash flows from operations	103	278
FINANCING ACTIVITIES		
Increase in long-term debt	28	-
INVESTING ACTIVITIES		
Additions to capital assets	(49)	(43)
Additions to other assets	-	(60)
(Increase) decrease in long-term investments	115	(115)
	66	(218)
INCREASE IN CASH	197	60
BANK INDEBTEDNESS, beginning of year	(227)	(287)
BANK INDEBTEDNESS, end of year	$ (30)	$ (227)
REPRESENTED BY:		
Short-term investments	$ 204	$ -
Working capital payable	(234)	(227)
	$ (30)	$ (227)

MAIL MANAGEMENT AGENCY
(An Agency of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

1. NATURE OF ORGANIZATION

In 1956, Mail Management (Postal Services) was created as a branch of the Manitoba Provincial Government to provide centralized postal management.

Effective April 1, 1996, the Postal Services was renamed Mail Management Agency (MMA) and designated as a Special Operating Agency (SOA) pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

MMA is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from MMA operations. It finances MMA through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to the public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to MMA to manage and account for MMA related assets and operations on behalf of the Financing Authority.

MMA continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

MMA remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the MMA have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

MAIL MANAGEMENT AGENCY
(An Agency of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(a) Capital Assets

Capital assets are recorded at cost and are amortized annually at the following rates and bases:

Production equipment	-	20% diminishing balance basis
Computer equipment	-	20% straight-line basis

(b) Other Assets

Other assets are recorded at cost and are amortized at the following rate on a straight-line basis:

Computer conversion	-	over 5 years

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Production equipment	$ 264	$ 145	$ 119	$ 113
Computer equipment	4	2	2	4
	$ 268	$ 147	$ 121	$ 117

MAIL MANAGEMENT AGENCY
(An Agency of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

4. OTHER ASSETS

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Computer Conversion	$ 60	$ 24	$ 36	$ 48

5. WORKING CAPITAL PAYABLE

MMA has an authorized line of working capital advances of $1,500 of which $233 was used as at March 31, 2001.

6. PENSION LIABILITY

Employees of the MMA are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. MMA has recorded an obligation for the pension benefits earned by its employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for service prior, as well as any variance resulting from the calculation.

The MMA deposited an amount equal to the employer's share of the pension liability in a separate investment account.

MMA restated its pension liability as at March 31, 1999 to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $35 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Accounts Receivable - Province of Manitoba". There was no effect on pension benefit expense for the year ended March 31, 2000.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, MMA's actuarial liability has been calculated on an indexed basis to be $147 as at March 31, 2001 (2000 - $163).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities.

MAIL MANAGEMENT AGENCY
(An Agency of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

6. PENSION LIABILITY, cont'd

Accordingly, the pension liability net of the accounts receivable from the Province was reclassified as accounts payable. MMA will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

7. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance at April 1, 1998 of $89 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $99 and the receivable from the Province was restated to $75 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $75 as at March 31, 2001.

8. THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. The following employee received compensation in excess of $50:

Name	Position	2001 Amount	2000 Amount
Don Katz	Chief Operating Officer	$ 62	$ 56
Greg Bowers	Marketing/Systems	$ 50	$ -

MAIL MANAGEMENT AGENCY
(An Agency of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

9. LONG-TERM DEBT

	2001	2000
2.366% capital lease, Pitney Bowes, repayable in quarterly instalments of $1584 blended principal and interest, secured by a high speed mailing machine, due January 31, 2006	$ 28.0	$ -
Less current portion	1.0	-
	$ 27.0	$ -

Principal repayments for the next five years are as follows:

2002	$ 1
2003	6
2004	6
2005	6
2006	9

10. COMMITMENT

The Agency has not entered into lease agreements with the Province of Manitoba for the five locations that it operates (200 Vaughan Street, Winnipeg; 405 Broadway, Winnipeg; 450 Broadway, Winnipeg; 340 - 9th Street, Brandon; and 25 Tupper Street, Portage la Prairie). Occupancy charges for the year ended March 31, 2001 are estimated at $103, whereas charges for the year ended March 31, 2000 were $109.

11. CONTRIBUTED EQUITY

SOAFA and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of fixed assets valued at $102 required for continuing operations of the Mail Management Agency as at March 31, 1996. The Agency is responsible to repay Special Operating Agencies Financing Authority the debt portion in the amount of $51 (being one-half of the value of the assets) and to record the balance of $51 (being one-half of the value of the assets) as Manitoba's equity in the Financing Authority as related to the Agency's operations. The debt portion has been repaid.

INDUSTRIAL TECHNOLOGY CENTRE

FINANCIAL STATEMENTS

MARCH 31, 2001

Industrial Technology Centre

A Special Operating Agency of Manitoba Industry, Trade and Mines

Unit 12 - 1329 Niakwa Road East
Winnipeg MB R2J 3T4 Canada

Phone: (204) 945-6000
Fax: (204) 945-1784

1-800-728-7933
www.itc.mb.ca

June 30, 2001

Management Report

For the year ended March 31, 2001

The accompanying financial statements of the Industrial Technology Centre are the responsibility of management and have been prepared by ITC in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 14, 2001.

Management maintains internal controls designed to indicate responsibility, provide reasonable assurance of the reliability and accuracy of the financial statements, and properly safeguard ITC's assets.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of ITC are fairly presented in accordance with generally accepted accounting principles. The auditors' report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management

Trevor Cornell
Chief Operating Officer

David Olafson
Manager, Corporate Services

Scarrow & Donald

SCARROW & DONALD
CHARTERED ACCOUNTANTS
100 - Five Donald Street
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May 14, 2001

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority:

We have audited the balance sheet of the Industrial Technology Centre as at March 31, 2001 and the statement of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2001 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Scarrow & Donald

Chartered Accountants

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet
As at March 31, 2001
(In Thousands)

	2001	2000
Assets		
Current		
Cash and funds on deposit with Minister of Finance net of working capital advance (Note 3)	$ 869	$ 671
Accounts receivable	1,063	182
Prepaid expenses	20	22
	1,952	875
Due from Province of Manitoba (Note 5)	103	103
Capital assets (Notes 2 and 4)	418	407
	$ 2,473	$ 1,385
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 1,111	$ 272
Severance liability (Note 5)	138	129
	1,249	401
Equity		
Contributed Equity (Note 6)	62	62
Retained Earnings	1,162	922
	1,224	984
	$ 2,473	$ 1,385

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Earnings and Retained Earnings

For the year ended March 31, 2001

(In Thousands)	2001	2000
Revenue		
Province of Manitoba	$ 765	$ 851
Fee for service	2,255	2,165
Other	65	44
	3,085	3,060
Operating expenses		
Advertising and promotion	73	77
Advisory Board	1	6
Amortization	111	104
Audit and legal	15	8
Bad debts	1	2
Building maintenance and repair	50	80
Computer	73	51
Equipment rental, maintenance and repair	28	44
Fees and memberships	45	16
Heat and utilities	33	29
Insurance	25	18
Laboratory supplies	63	64
Library operations	23	27
Loss on disposal of capital assets	-	9
Office, delivery and telephone	70	86
Professional development	80	84
Purchased services	45	41
Rent and property tax	111	110
Salaries and benefits	1,911	1,811
Travel	87	71
	2,845	2,738
Net earnings	240	322
Retained earnings at beginning of period	922	600
Retained earnings at end of period	$ 1,162	$ 922

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Cash Flow

For the year ended March 31, 2001
(In Thousands)

	2001	2000
Cash derived from (applied to):		
Operating activities		
Net earnings	$ 240	$ 322
Items not involving cash		
Amortization	111	104
Loss on disposal of capital assets	-	9
	351	435
Changes in non-cash working capital balances		
Accounts receivable	(881)	182
Prepaid expenses	2	(3)
Accounts payable and accrued liabilities	789	(122)
	261	492
Investing activities		
Acquisition of capital assets	(63)	(138)
Net increase in cash	198	354
Cash at beginning of period	671	317
Cash at end of period	$ 869	$ 671
Interest revenue included in cash flow from operating activities	$ 37	$ 26

The accompanying notes are an integral part of these financial statements.

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors. ITC also partners with the National Research Council for delivery of the "Industrial Research Assistance Program" in Manitoba.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Industry, Trade and Mines under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations and has access to a working capital loan. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Industry, Trade and Mines assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Industry, Trade and Mines defines expected public policy benefits generated from ITC's operations.

ITC is bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet its business objectives.

2. Significant Accounting Policies

Basis of reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost. Amortization, intended to write off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance
Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line

3. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300. As at March 31, 2001 working capital advances were nil (2000 – nil). The line bears interest at the prime rate and is not secured by specific assets.

4. Capital Assets

	2001		2000	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and fixtures	$ 4	$ 1	$ 4	$ -
Office and laboratory equipment	490	194	414	138
Computer equipment and software	299	180	253	126
	$ 793	$ 375	$ 671	$ 264
Net book value	$ 418		$ 407	

5. Severance Pay Benefits

Effective April 1, 1998, ITC began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by ITC's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $103 was completely offset by a receivable from the Province. There are no terms of repayment of this receivable, and the amount will remain fixed.

An actuarial valuation report of ITC's severance as at March 31, 2000 was recently completed. The report provides a formula to update the liability on an annual basis. In accordance with the formula, ITC's actuarial liability has been calculated to be $138 as at March 31, 2001. In addition, the liability as March 31, 2000 was changed to $129 and the receivable from the Province was changed to$103 as a result of the actuarial evaluation.

6. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

7. Commitment

The Agency has entered into a lease agreement for rental of the facilities at 1329 Niakwa Road East, Winnipeg, Manitoba. The lease, expiring on March 31, 2005, requires future lease payments as follows:

2002	$ 84
2003	$ 84
2004	$ 91
2005	$ 91

This lease agreement may be terminated on March 31, 2003 or March 31, 2004, at ITC's option.

8. Pension Liability

In accordance with the provisions of The Civil Service Superannuation Act, employees of ITC are required to contribute to the Civil Service Superannuation Fund at prescribed rates for defined benefits. ITC matches the employees' contributions to the Fund. Under this Act, ITC has no further pension liability.

9. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

10. Public Sector Compensation

Pursuant to The Public Sector Compensation Disclosure Act, the following employees of ITC have received compensation of $50 or more, including benefits and severance payments, in the year ended March 31, 2001.

		2001	2000
Begin, J.	Engineer 5	$ 70	$ 69
Boskwick, W.	Eco. Dev. Consultant 3	62	61
Cattani, J.	Eco. Dev. Consultant 3	59	58
Cornell, T.	Executive Officer 1	88	85
de Graaf, P.	Eco. Dev. Consultant 3	62	61
Deley, D.	Eco. Dev. Consultant 4	63	61
Herwig, W.	Eco. Dev. Consultant 4	70	69
Olafson, D.	Financial Officer 6	59	56
Persad, K.	Eco. Dev. Consultant 3	62	61
Pizey, G.	Engineer 4	62	61
Pozzobon, G.	Engineer 3	56	55
St. Jean, D.	Eco. Dev. Consultant 4	58	n/a
Sullivan, V.	Eco. Dev. Consultant 4	63	61

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2001

Manitoba

The Public Trustee

13th Floor Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 19, 2001. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Provincial Auditor is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M. Anne Bolton, Q.C.
Public Trustee

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2001 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Provincial Auditor

Office of the Provincial Auditor

Winnipeg, Manitoba
June 19, 2001

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2001

ASSETS

	2001	2000
Current		
Cash	$ 18	$ 45
Accounts receivable (Note 3)	660	621
Deferred Contribution – Province of Manitoba (Note 10)	0	123
Prepaid expenses	4	7
Short-term investments with Minister of Finance (Note 10)	1,706	1,529
	2,388	2,325
Receivable from Province of Manitoba (Note 4, Note 10)	515	515
Capital Assets (Note 5)	112	68
	$ 3,015	$ 2,908

LIABILITIES

Current		
Accounts payable and accruals (Note 6)	$ 448	$ 414
Accounts payable to Province of Manitoba (Note 10)	783	0
	1,231	414
Severance pay benefits (Note 17)	369	348
Pension liability (Note 10)	0	777
	369	1,125

EQUITY

Revenue stabilization fund (Note 15)	500	500
Retained earnings	915	869
	$ 3,015	$ 2,908

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
Revenue		
Fees (Note 8)	$ 4,323	$ 4,132
Interest	100	80
Other	88	87
	4,511	4,299
Expenses		
Amortization of capital assets	41	26
Accommodation - Department of Government Services	221	220
Administration expenses (Note 9)	661	706
Salaries and benefits	3,412	3,314
Employer pension costs (Note 10)	130	196
Loss on disposal of capital assets	0	41
	4,465	4,503
Net Income (Loss)	46	(204)
Retained earnings, beginning of year	869	1,073
Retained earnings, end of year	$ 915	$ 869

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
Cash derived from (applied to)		
Operating (Note 18)		
Net income (Loss)	$ 46	$ (204)
Items not involving cash		
Amortization of capital assets	41	26
Loss on disposal of capital assets	0	41
	87	(137)
Change in		
Receivables (Note 10)	84	20
Prepaid expenses	3	(3)
Payables (Note 10)	817	31
	991	(89)
Investing		
Acquisition of capital assets	(85)	(4)
Financing		
Severance pay benefits (Note 17)	21	(95)
Pension liability (Note 10)	(777)	319
	(756)	224
Net increase (decrease) in cash	150	131
Cash and short term investments		
Beginning of year	1,574	1,443
End of year	$ 1,724	$ 1,574

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances the Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity the Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of The Public Trustee Act. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment	-	20%, diminishing balance basis
Computer hardware and software	-	20%, straight-line basis, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition
Leasehold improvements	-	20%, straight-line basis

3. Accounts receivable

The accounts receivable are as follows:

	2001	2000
Fees receivable	$ 662	$ 629
Allowance for doubtful accounts	(27)	(26)
	635	603
Interest receivable	3	5
Advances to client accounts	6	7
Cost recoveries	16	6
	$ 660	$ 621

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296.

5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2001	Net Book Value 2000
Furnishings & equipment	$ 114	$ 38	$ 76	$ 23
Computer hardware & software	68	44	24	29
Leasehold improvements	44	32	12	16
	$ 226	$ 114	$ 112	$ 68

6. Accounts payable and accruals

The accounts payable and accruals are as follows:

	2001	2000
Operating expenses payable	$ 52	$ 40
Salaries & benefits payable	69	65
Vacation entitlements accrual	299	282
GST payable to Revenue Canada	28	27
	$ 448	$ 414

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2001.

8. Fees revenue

The Public Trustee charges fees for services as follows:

	2001	2000
Administration fees	$ 3,654	$ 3,571
Legal fees	396	284
Income tax fees	204	223
Inspection fees	69	54
	$ 4,323	$ 4,132

9. Administration expenses

The administration expenses of the Agency are as follows:

	2001	2000
Computer expenses	$ 336	$ 309
Courier charges	3	3
Desktop costs	3	3
Insurance, loss, damage	14	59
Office supplies	42	48
Other	13	9
Personnel	26	25
Photocopy	9	14
Postage	40	42
Professional fees	23	24
Publications	6	7
Public communications	6	9
Rentals, equipment	2	2
Repairs & maintenance	10	21
SAP costs	7	3
Support services - Department of Justice	26	26
Telephone	56	56
Travel	39	46
	$ 661	$ 706

10. Pension liability

Employees of the Public Trustee are eligible for pension benefits in accordance with the provisions of The Civil Service Superannnuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

The Agency restated its pension liability as at March 31, 1999 to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $ 123 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Deferred Contributions – Province of Manitoba". The comparative figures have been restated to reflect the change. There was no effect on pension benefit expense for the year ended March 31, 2000.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as an SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $ 906 as at March 31, 2001 (2000 - $ 777).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution to the Province was reclassified as accounts payable. The agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

11. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities in the Woodsworth Building and Fletcher Building Annex in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be $126 annually to 2002/2003.

12. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

13. Escheats to the Crown

Escheats to the Crown, received by the Public Trustee during the year and remitted to the Minister of Finance, amounted to $51 (2000 - $89). These amounts are not reflected in these financial statements.

14. Estates and trusts under administration

The client assets under administration at March 31, 2001 total approximately $159,000 (2000 - $151,000). The trust activities of the Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

15. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

16. Public Sector Compensation Disclosure Act

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2001, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C,	Senior Legal Officer	$ 86
Cuddy, Rose	Legal Counsel 3	63
Darrach, Bruce	Information Technologist 3	60
Drever, Bruce	Legal Counsel 3	83
Fergusson, John	Legal Counsel 2	75
Jachetta, Peter	Legal Counsel 3	81
Knowlton, Joanna	Legal Counsel 3	83
Kozusko, Norman	Information Technologist 4	65
Sallans, David	Management Analyst 3	62
Slobodian, John	Estates Officer 3	51

17. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $403 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $ 348 and the receivable from the Province was restated to $ 296 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $ 369 as at March 31, 2001.

18. Cash flow statement – interest received

	2001	2000
Interest received	$ 100	$ 80

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Financial Statements

March 31, 2001

MANAGEMENT'S REPORT

For the year ended March 31, 2001:

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with generally accepted accounting principles. In the management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 21, 2001.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the Auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Douglas Popowich
Fire Commissioner

Ken Nero
Comptroller

FROSTIAK & LESLIE
Chartered Accountants Inc.

Larry H. Frostiak, CA, CFP, TEP Kenneth T. Leslie, CA Myles L. Pouteau, CA

CA.COM FINANCIAL GROUP™

AUDITORS' REPORT

TO THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY OFFICE OF THE FIRE COMMISSIONER

We have audited the balance sheet of the Office of the Fire Commissioner, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001, and the statements of earnings, capital and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and the cash flows for the year then ended in accordance with generally accepted accounting principles.

The budget information contained in these financial statements is provided as additional information and has not been compiled or examined by us. Accordingly, we do not express an opinion or any form of assurance on them. The summaries of significant assumptions and accounting policies for presentation of prospective financial statements have not been included in these financial statements. If the omitted summaries were included in the budgeted information, they might influence the users' conclusions about the Agency's budgeted information. Accordingly, the budgeted information is not designed for those who are not informed about such matters.

Winnipeg, Manitoba
June 21, 2001

Frostiak & Leslie
Chartered Accountants Inc.

200 - 1700 Corydon Avenue, Winnipeg, Manitoba, Canada, R3N 0K1
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OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
BALANCE SHEET

As at March 31, 2001, with comparative figures for 2000 (000's)

	2001	2000
ASSETS		
Current assets		
Cash	$ 87	$ 31
Short term investments (Note 3)	5,368	2,780
Accounts receivable (Note 4)	859	1,619
Accrued interest	9	12
Inventory	35	35
Prepaid expenses	29	30
	6,387	4,507
Long term investments (Note 2)	-	1,500
Pension assets (Note 5)	-	453
Deferred contribution (Note 8)	-	85
Capital assets (Note 6)	5,840	6,085
	$ 12,227	$ 12,630
LIABILITIES AND CAPITAL		
Current liabilities		
Accounts payable	$ 706	$ 399
Accrued liabilities	458	341
Deferred revenue	135	22
	1,299	762
Severance pay benefits (Note 7)	359	340
Employee pension liability (Note 8)	-	546
	1,658	1,648
Capital (Note 9)	10,569	10,982
Commitments and contingencies (Note 10)		
Public sector compensation (Note 12)		
	$ 12,227	$ 12,630

See accompanying notes to financial statements.

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
STATEMENT OF EARNINGS

Year ended March 31, 2001, with comparative figures for 2000 (000's)

	2001	2000	Variance	Budget	Budget Variance
REVENUES					
Levy	$ 3,282	$ 3,130	$ 152	$ 3,221	$ 61
Permits and plan review	944	1,161	(217)	1,107	(163)
Tuition and contract revenue	941	788	153	732	209
Interest	234	215	19	192	42
Inspections	(7)	44	(51)	-	(7)
Emergency Services Conference	82	90	(8)	61	21
Book sales	6	2	4	2	4
Rent	2	3	(1)	4	(2)
Other revenue	43	64	(21)	12	31
Unspecified	-	-	-	150	(150)
	$ 5,527	$ 5,497	$ 30	$ 5,481	$ 46

See accompanying notes to financial statements.

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
STATEMENT OF EARNINGS (continued)

Year ended March 31, 2001, with comparative figures for 2000 (000's)

	2001	2000	Variance	Budget	Budget Variance
EXPENSES					
Salaries and benefits	$ 2,823	$ 2,664	$ 158	$ 2,823	$ -
Amortization (Note 6)	449	489	(41)	437	(12)
Vehicle	268	251	17	259	(9)
Travel	289	299	(10)	216	(73)
Repairs and maintenance	155	252	(97)	192	37
Phone	147	139	8	150	3
Mutual aid	125	124	-	142	17
Rent	166	132	11	119	(47)
Desk top management	212	169	43	126	(86)
Grant in lieu of taxes	111	92	18	110	(1)
Labour services	81	81	-	73	(8)
Supplies	226	227	(1)	158	(68)
Public education material	54	83	(29)	65	11
Marketing	50	30	19	36	(14)
Utilities	60	52	8	59	(1)
Insurance	62	56	5	47	(15)
Professional services	212	171	40	165	(47)
Postal and courier	44	41	3	31	(13)
Professional development	11	13	(2)	20	9
Land lease	10	10	-	10	-
Publications	13	24	(11)	25	12
Building Standards Board	1	-	1	1	-
SOA Board	1	-	-	1	-
Books	2	-	2	-	(2)
Grant	-	25	(25)	-	-
Other	68	101	(33)	90	22
Unspecified	-	-	-	(150)	(150)
	5,640	5,556	84	5,205	435
Net earnings (loss) from operations	$ (113)	$ (59)	$ (54)	$ 276	$ (389)

See accompanying notes to financial statements.

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
STATEMENT OF CAPITAL

Year ended March 31, 2001, with comparative figures for 2000 (000's)

		2001		2000
Contributed capital	$	11,279	$	11,279
Retained earnings (deficit), beginning of year				
As originally stated		(297)		(238)
Revenue sharing (Note 11)		(300)		-
As restated		(597)		(239)
Net earnings (loss) from operations		(113)		(59)
Capital, end of year	$	10,569	$	10,982

See accompanying notes to financial statements.

OFFICE OF THE FIRE COMMISSIONER

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
STATEMENT OF CASH FLOWS

Year ended March 31, 2001, with comparative figures for 2000 (000's)

	2001	2000
Operating activities		
Net earnings (loss) for the year	$ (113)	$ (59)
Amortization, pension, and severance expense	647	659
Net change in non-cash working capital balances	1,303	(656)
Cash generated from operations	1,837	(56)
Investing activities		
Capital asset additions	(205)	(546)
Financing activities		
Funds transferred to pension	(188)	(103)
Revenue sharing (Note 11)	(300)	-
Net increase (decrease) in cash	1,144	(705)
Cash and investments, beginning of year	4,311	5,016
Cash and investments, end of year	$ 5,455	$ 4,311

See accompanying notes to financial statements.

Cash and investments are represented by		
Cash	$ 87	$ 31
Short term investments	5,368	2,780
Long term investments	-	1,500
	$ 5,455	$ 4,311

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and ultimately under the policy direction of the Minister of Labour.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

a) Basis of accounting

The financial statements are presented in accordance with generally accepted accounting principles.

b) Accounting estimates and assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Inventory

Inventory is valued at cost.

d) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Equipment	20 % declining balance
Fire engines	30 % declining balance
Other vehicles	30 % declining balance
Air compressors	20 % declining balance
Furniture	20 % declining balance
Computer equipment and software	5 years straight line

e) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2000 calendar year will be recognized as revenue in the fiscal year ending March 31, 2001. The levy rate is set at 1.25%.

All other revenue is recognized when earned.

3. INVESTMENTS

The Investments balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year. Investments on deposit with maturities greater than one (1) year are classified as long term.

4. ACCOUNTS RECEIVABLE

Accounts receivable includes $559 due from the Province of Manitoba, which represents $248 in estimated unpaid vacation pay and overtime as at March 31, 1996 and $281 representing the estimated liability for severance pay (see Note 7) as at April 1, 1998 and $30 as at March 31, 2000 representing severance plan amendment costs net of an actuarial valuation gain (See Note 7). There are no terms of repayment for this amount owed by the Province.

The accounts receivable balance is made up of the following

	2001	2000
Insurance Branch of Dept. of Consumer & Corporate Affairs	$ 280	$ 871
Province of Manitoba	559	649
Other	20	99
	$ 859	$ 1,619

5. PENSION ASSETS

As at March 31, 2001, the Province assumed responsibility for administering the SOA's pension liabilities (see Note 8).

6. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,043	$ -	$ -	$ 4,043
Training site	1,767	120	-	1,887
Equipment	857	74	-	931
Fire engines	459	-	-	459
Other vehicles	201	3	-	204
Air compressors	179	-	-	179
Furniture	70	-	-	70
Computers	111	7	-	118
Total cost	$ 7,687	$ 204	$ -	$ 7,891

	Opening Amortization	Disposition	Current Accumulated Amortization	Accumulated Amortization
Building	$ 472	$ -	$ 119	$ 591
Training site	194	-	91	285
Equipment	406	-	106	512
Fire engines	229	-	69	298
Other vehicles	145	-	18	163
Air compressors	92	-	17	109
Furniture	40	-	6	46
Computers	24	-	23	47
Total amortization	$ 1,602	$ -	$ 449	$ 2,051
Net capital assets	$ 6,085			$ 5,840

7. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate was based upon the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $282 was completely offset by a receivable from the Province. There are no fixed terms for repayment.

The liability as at March 31, 2000 was restated to $340 and the receivable from the Province was restated to $311 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $359 as at March 31, 2001.

8. EMPLOYEE PENSION LIABILITY

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba, which accepts responsibility for pension benefits earned for prior services, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

The Agency restated its pension liability as at March 31, 1999 to an indexed basis to e consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $85 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Deferred Contributions – Province of Manitoba". The comparative figures have been restated to reflect the change. There was no effect on pension benefit expense for the year ended March 31, 2000.

An actuarial valuation report of the Agency's pension liability to its employees fro the date of designation as an SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $726 as at March 31, 2001 (2000 - $546).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution to the Province was reclassified as accounts payable. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

9. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) Not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) Record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, capital assets are amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

10. COMMITMENTS AND CONTINGENCIES

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the Lease is five (5) years commencing June 11, 1997 and expiring May 31, 2002 with four (4) five-year renewal options. Minimum annual rent is $10,000 due in equal monthly instalments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into 26 vehicle lease agreements which give rise to commitments as follows:

		March 31
2002	$	147
2003		117
2004		83
2005		19
	$	366

At the end of each lease the Office is obligated to pay any shortfall between the net proceeds on vehicle disposition and the agreed residual value.

The Office of the Fire Commissioner has been named in three litigations. A fire at the Three Bears Daycare center located in Pinefalls, Manitoba resulted in the death of a child in the care of the daycare. The Province of Manitoba is being sued by The United Church of Canada, owners of the church in which the daycare was located. The Office of the Fire Commissioner has also been named in an action by the Insurer of the St. Anne Hospital, in which a fire occurred as a result of inadequate clearance of an emergency generator exhaust pipe. Lastly, the Office of the Fire Commissioner has been named in an action by the owner and operator of a residential care facility in Newdale. The facilities license was revoked in response to a fire prevention inspection conducted by The Office of the Fire Commissioner. The outcome of these actions is in determinable at this time, and no provision has been made for the contingent loss. The Office of the Fire Commissioner has liability insurance, with a $5 deductible, which would cover any adverse settlement should this be the case.

11. REVENUE SHARING

The Office of the Fire Commissioner provided to the Province of Manitoba $300 under a revenue-sharing formula approved by the Advisory Board of Office of the Fire Commissioner.

12. PUBLIC SECTOR COMPENSATION

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2001, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	Position	2001	2000
R.A. Negrich	Emergency Services Officer	$ -	$ 51
D.M. Popowich	Fire Commissioner	79	83
C.R. Sanderson	Deputy Fire Commissioner	68	66
K.J. Nero	Comptroller	63	65
R. Gillis	Fire Investigator	62	68
D.B. Monkman	Fire Investigator	62	65
G. Kurdydyk	Fire Investigator	62	52
Ken Swan	Fire Investigator	60	62
C. Hogarth	Fire Investigator	60	53
B.D. Bryan	Medical Programs Manager	58	51
A.J. Campbell	Manager Codes & Standards	57	53
M.C. Bedford	Emergency Services Officer	55	54
L. Treloar	Fire & Building Standards Officer	52	-
J.P. Lebel	Manager, Emergency Services	52	-
D.R. Beachman	Fire & Building Standards Officer	52	51
R. Pearson	Emergency Services Officers	51	-
T.J. Jennings	Fire & Building Standards Officer	51	-
R. Harvey	Emergency Services Officer	51	-
B.D. Popko	Manager, MESC	51	-
K.D. Hykawy	Fire & Building Standards Officer	51	-
K. Carmichael	Emergency Services Officer	51	56
B.J. Metruk	Fire & Building Standards Officer	51	-
R.C. Denslow	Emergency Services Officer	51	51
S. Hall	Fire & Building Standards Officer	50	-

13. PRIOR YEAR'S FIGURES

Certain prior year's figures have been reclassified to the current year's presentation.

Financial Statements of

FOOD DEVELOPMENT CENTRE

Year ended March 31, 2001

APPENDIX I. AUDITED FINANCIAL STATEMENTS

Responsibility for Financial Reporting

The Agency is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Chapman and Verwey, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free access to the Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Dave Donaghy
CEO

May 10, 2001

Pat Scott, CMA
Acting General Manager

May 10, 2001

Chapman & Verwey
CHARTERED ACCOUNTANTS

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R1N 1W8

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority:

We have audited the balance sheet of Food Development Centre, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Chapman & Verwey

Chartered Accountants

Portage la Prairie, Manitoba

May 10, 2001

FOOD DEVELOPMENT CENTRE

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Balance Sheet
(In Thousands)

March 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Current assets:		
Cash	$ 2	$ 27
Accounts receivable (note 3)	181	194
Receivable from the Province of Manitoba	–	321
Prepaid expenses	31	42
	214	584
Capital assets (note 4)	326	456
Other assets	–	5
Cash held on deposit (note 5)	26	–
Severance pay receivable from Province (note 11)	41	83
	$ 607	$ 1,128
Liabilities and Deficiency in Assets		
Current liabilities:		
Working capital payable (note 6)	$ 400	$ 729
Accounts payable and accrued liabilities	64	114
Accrued vacation pay (note 7)	93	111
Severance pay liability	50	86
Unearned revenue	30	47
Current portion of capital lease obligation	–	30
	637	1,117
Capital lease obligation	–	11
Deficiency in assets:		
Deficit	(30)	–
Commitment (note 10)		
	$ 607	$ 1,128

See accompanying notes to financial statements.

FOOD DEVELOPMENT CENTRE

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statement of Operations and Deficit
(In Thousands)

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Revenue:		
Contract - Province of Manitoba	$ 912	$ 912
Contract - National Research Council	43	57
Fee for service	235	642
Consulting and training services	104	106
Salary secondment	127	45
Lease income	33	3
Interest and other income	10	10
	1,464	1,775
Direct operating expenses:		
Lab supplies	47	103
Purchased services	85	105
Travel	66	83
Salaries	832	1,003
Postage, courier and telephone	38	58
Printing and stationery	19	19
Marketing	43	54
Library	51	45
	1,181	1,470
Administrative expenses	449	511
Loss from operations	(166)	(206)
Other income (expense):		
Write down of other assets	(5)	(5)
Gain on sale of capital assets	41	27
Deficit funding - Province of Manitoba	100	321
	136	343
Net (loss) income	(30)	137
Deficit, beginning of year (note 8)	–	(137)
Deficit, end of year	$ (30)	$ –

See accompanying notes to financial statements.

FOOD DEVELOPMENT CENTRE

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statement of Cash Flows
(In Thousands)

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Cash provided by (used in):		
Operating activities:		
Net (loss) income for the year	$ (30)	$ 137
Items not involving cash:		
Amortization	78	86
Gain on sale of capital assets	(41)	(27)
Write down of other assets	5	5
	12	201
Net change in non-cash operating working capital:		
Accounts receivable	13	(25)
Cash held on deposit	(26)	–
Receivable from the Province of Manitoba	321	(321)
Severance pay receivable from Province	42	–
Prepaid expenses	11	14
Accounts payable and accrued liabilities	(50)	30
Accrued vacation pay	(18)	17
Severance pay liability	(36)	4
Unearned revenue	(17)	42
	240	(239)
	252	(38)
Financing activities:		
Decrease in capital lease obligation	(41)	(27)
Investing activities:		
Other asset purchases	–	(2)
Capital asset purchases	(49)	(200)
Proceeds from disposition of capital assets	142	27
	93	(175)
Net increase (decrease) in cash position	304	(240)
Cash position, beginning of year	(702)	(462)
Cash position, end of year	$ (398)	$ (702)

Cash position is comprised of the following amounts:

	2001	2000
Cash	$ 2	$ 27
Working capital payable	(400)	(729)
	$ (398)	$ (702)

See accompanying notes to financial statements.

FOOD DEVELOPMENT CENTRE

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Notes to Financial Statements
(In Thousands)

Year ended March 31, 2001

---

1. Nature of organization:

Established in 1977, as part of the Manitoba Research Council, the Food Development Centre serves the agri-food industry by providing a wide range of services in the food, feed, and beverage industries. Food Development Centre offers food product development research, testing services and assistance with technology transfer to enable industry to efficiently and economically produce high quality foods.

Effective April 1, 1996, the Food Development Centre was designated as a Special Operating Agency by regulation under The Special Operating Agencies Financing Authority Act made by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement with the Financing Authority assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

The Food Development Centre is a part of the Department of Agriculture and Food under the general direction of a General Manager/Chief Executive Officer, and ultimately the policy direction of the Deputy Minister and Minister.

The Food Development Centre remains bound by relevant legislation and regulations.

The Food Development Centre is economically dependent on the Province of Manitoba, as it derives a significant portion of its revenue from the Province.

2. Significant accounting policies:

(a) Management estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires Management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(b) Basis of reporting:

The financial statements of the Agency are presented in accordance with generally accepted accounting principles.

2. Significant accounting policies (continued):

(c) Capital assets:

Capital assets assumed as part of the conversion to a Special Operating Agency, April 1, 1996, are stated at their estimated fair value as determined by the Province. Capital assets acquired subsequently are stated at cost. Amortization is provided using the following method and annual rates:

Equipment and sign	20% declining balance
Computer equipment	20% straight line
Leased equipment	20% declining balance

(d) Other assets:

Research and development costs are expensed as incurred.

(e) Revenue recognition:

Fee for service revenue is recognized on percentage of completion basis.

All funds received and due from the Province of Manitoba as at March 31, 2001 have been recognized as income in the current year.

3. Accounts receivable:

The accounts receivable balance is comprised of the following amounts:

	2001	2000
Trade accounts receivable	$ 243	$ 229
Allowance for doubtful accounts	(65)	(45)
Work in progress	3	10
	$ 181	$ 194

4. Capital assets:

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Equipment and sign	$ 418	$ 147	$ 271	$ 333
Computer hardware and software	138	83	55	63
Equipment under capital lease	–	–	–	60
	$ 556	$ 230	$ 326	$ 456

Included in capital assets is equipment with a net book value of $99,732, which is being leased out to clients of the Food Development Centre.

5. Funds held on deposit:

Effective April 1, 2000, the assets and liabilities of the analytical services division were sold to Norwest Soil Research Ltd. The Agency has received a $25,000 deposit from Norwest Soil Research Ltd. as part of the sales agreement. Under the agreement, Norwest must maintain certain levels of revenue from work performed in the Province of Manitoba for a period of five years from the effective date of the agreement. If they fail to meet these conditions, the deposit and accrued interest are forfeited to the Food Development Centre.

6. Working capital payable:

The Agency has an authorized line of working capital of $1,000 of which $400 was used as at March 31, 2001.

7. Accrued vacation pay:

The employees of the Food Development Centre are entitled to vacation pay in the current year, based on the prior year's employment. A provision for this liability has been recorded in the financial statements. The Food Development Centre has also accrued vacation pay for services rendered prior to the Agency receiving Special Operating Agency status for certain employees.

8. Deficiency in assets:

The Special Operating Agencies Financing Authority and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer, from the Provincial Government to the Financing Authority, of the net assets required for the continuing operations of the Food Development Centre. As at April 1, 1996, the date of transfer, the liabilities assumed exceeded the value of the assets in the amount of $35. This amount was recorded as the deficit at April 1, 1996.

9. Public Sector Compensation Disclosure:

Compensation to employees in excess of $50 include the following individuals:

Utioh, Alphonsus - Manager Product and Process Development	$	80
Scott, Pat – Controller / General Manager		72
Schmulgen, Markus – Business Development Coordinator		58
Gao, Lei – Group leader Process Development		58

10. Commitment:

The Food Development Centre is obligated to make payments to Workers Compensation for an employee currently on disability. The total financial impact on the Centre is not determinable since the length of time the payments will be required is unknown.

11. Severance pay benefits:

Effective April 1, 1998, the Agency is recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $83 was completely offset by a receivable from the Province. An adjustment was made during the current year to reduce the receivable from the Province to $41. There are no terms of repayment for this receivable, and the amount will remain fixed at $41.

12. Pension liability:

In accordance with the provisions of The Civil Service Superannuation Act, employees of the Agency are required to contribute to the Civil Service superannuation fund at prescribed rates for defined benefits. The Agency matches the employees' contributions to the Fund. Under this Act, Food Development Centre has no further pension liability. The amount contributed and expensed by the Agency in the current year was $35 (2000 - $42).

13. Financial instruments:

a) Credit risk:

The Agency is exposed to credit risk on the accounts receivable from its customers. The Agency does not have a significant exposure to any individual customer. An allowance for doubtful accounts has been established by the Agency, based upon factors surrounding the credit risk of specific customers, historical trends and other information.

b) Fair value:

Due to the short-term nature of all financial instruments, the carrying values as presented in the financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate and, if so, any difference would be accounted for in the period in which it becomes known.

FOOD DEVELOPMENT CENTRE

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Administrative Expenses
(In Thousands)

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Advisory committee fees	$ 1	$ 1
Accreditation and licensing fees	3	8
Amortization	78	86
Professional fees	33	13
Bad debt expense	26	62
Occupancy expenses	196	192
Computer expenses	17	21
Equipment operating costs	30	26
Fees and memberships	6	9
Repairs and maintenance	16	18
Insurance	22	24
Interest	10	15
Interest on capital lease	–	5
Staff training	8	25
Staff relocation	3	6
	$ 449	$ 511

Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

Grant Thornton

The Property Registry
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements

March 31, 2001

Manitoba

Consumer and Corporate Affairs
The Property Registry

Registrar General &
Chief Operating Officer

Woodsworth Building
1405–405 Broadway
Winnipeg MB R3C 3L6
CANADA
Telephone: (204)945-0446
Facsimile: (204)948-3276
E-Mail: rwilson@cca.gov.mb.ca

MANAGEMENT'S REPORT

To the Special Operating Agencies Financing Authority

The accompanying financial statements and the information in the Annual Report are the responsibility of the management of The Property Registry. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts that are based on management's best estimates and judgements.

In support of its responsibility, management has developed and maintains a system of internal controls designed to provide reasonable assurance that transactions are authorized, financial reporting is reliable, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

The financial statements have been audited by our external auditors, Grant Thornton, who report to the Special Operating Agencies Financing Authority.

On behalf of Management,

Richard M. Wilson, B.A., LL.B.
Registrar General and
Chief Operating Officer

Marcel V. Joaquin, Jr., CMA
Director
Finance and Systems

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Grant Thornton

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Property Registry, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2001 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
June 1, 2001

Chartered Accountants

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The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Balance Sheet

(In Thousands)

March 31	2001	2000 (Note 11)
Assets		
Current		
Cash and short-term investments	$ 3,148	$ 4,335
Customer deposits	1,271	1,122
Pension investment account (Note 7)	1,459	916
Accounts receivable (Note 3)	129	98
Prepaid expenses	57	49
	6,064	6,520
Due from Province of Manitoba (Note 4)	1,784	1,784
Capital assets, net of accumulated amortization (Notes 2 and 5)	400	264
	$ 8,248	$ 8,568
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 907	$ 911
Accrued pension costs (Note 7)	1,598	
Deferred revenue	1,273	1,122
Land titles assurance fund (Note 6)	69	66
Severance payable (Note 8)	256	249
	4,103	2,348
Accrued pension costs (Note 7)		1,198
Long-term severance payable (Note 8)	926	867
	5,029	4,413
Equity		
Retained earnings	3,219	4,155
	$ 8,248	$ 8,568

Commitments (Note 9)

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands) Year Ended March 31	2001	2000 (Note 11)
Revenues		
Land transfer tax (Note 10)	$ 12,487	$ 12,071
Fee revenue - Land Titles	8,035	8,312
Fee revenue - Personal Property Registry	4,718	3,772
Cost recoveries (Note 2)	678	809
Interest income	180	183
	26,098	25,147
Less: tax revenues transferred to Province	(12,487)	(12,071)
	13,611	13,076
Expenses		
Salaries and employee benefits	7,420	7,386
Operating expenses (Schedule 1)	2,510	2,414
Amortization	117	80
	10,047	9,880
Net earnings	$ 3,564	$ 3,196
Retained earnings, beginning of year		
As previously reported	$ 3,993	$ 3,759
Adjustment for pension expense applicable to the preceding year (Note 7)	162	
As restated	4,155	3,759
Net earnings	3,564	3,196
Net earnings paid to the Province of Manitoba	(4,500)	(2,800)
Retained earnings, end of year	$ 3,219	$ 4,155

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statement of Cash Flows

(In Thousands)
Year Ended March 31

	2001	2000 (Note 11)
Increase (decrease) in cash and cash equivalents		
Cash flows from (used in) operating activities		
Net earnings	$ 3,564	$ 3,196
Amortization	117	80
	3,681	3,276
Changes in non-cash operating working capital		
Pension investment account	(543)	(311)
Customer deposits	(149)	(199)
Accounts receivable	(31)	162
Prepaid expenses	(8)	8
Due from Province of Manitoba	162	(197)
Accounts payable and accrued liabilities	(4)	(71)
Deferred revenue	151	196
Accrued pension costs	238	593
Land titles assurance fund deposits	3	23
Severance payable – current portion	7	(5)
Severance payable – long term portion	59	59
	3,566	3,534
Cash flows from (used in) investing activities		
Purchase of capital assets	(253)	(159)
Cash flows from (used in) financing activities		
Net earnings paid to the Province of Manitoba	(4,500)	(2,800)
Net (decrease) increase in cash and cash equivalents	(1,187)	575
Cash and cash equivalents		
Beginning of year	4,335	3,760
End of year	$ 3,148	$ 4,335

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Notes to the Financial Statements

(In Thousands)
March 31, 2001

1. Nature of organization

Effective April 1, 1997, the Lieutenant Governor in Council designated The Property Registry as a Special Operating Agency under The Special Operating Agencies Financing Authority Act. The order also directed the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs to enter into a management agreement with respect to The Property Registry. The Property Registry was established to operate the Land Titles and Personal Property Registry offices on a self-sustaining financial basis while providing a standard of service that will meet the needs of its clients.

The Property Registry continues to be a part of the Department of Consumer and Corporate Affairs under the general direction of the Deputy Minister of Consumer and Corporate Affairs, who is also Chairperson of The Property Registry's Advisory Board. The Property Registry remains bound by relevant legislation, regulation and administrative policy as specified in its operating charter.

The Property Registry's financial contribution to the Province of Manitoba is included in the Manitoba Estimates of Revenue - Crown Corporations/Entities.

2. Summary of significant accounting policies

Basis of reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied on an accrual basis.

Capital assets

Capital assets are recorded at cost and amortization is computed using the straight-line method based on remaining estimated useful lives, after allowance for salvage value, where applicable. Capital assets transferred to The Property Registry at April 1, 1997 each have estimated remaining useful lives of up to five years and were valued at their remaining unamortized capital cost at that date, which represents the acquisition cost for The Property Registry. Therefore, the effective rate of amortization for those older capital assets may exceed the annual rates noted below:

Computer system	20% (10% in year of acquisition)
Office equipment	20%
Leasehold improvements	20%

2. Summary of significant accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Cost recoveries and fee waiver

Included in revenues are recoveries of costs for Land Titles Office services provided to other provincial government offices where no statutory provision precludes cost recovery. No similar recoveries of costs are currently collected for services provided by the Personal Property Registry.

3. Accounts receivable

The following items are included in accounts receivable:

	2001	2000
Trade receivable	$ 91	$ 76
Receivable from government and departments	38	22
	$ 129	$ 98

4. Due from Province of Manitoba

This receivable represents the vacation entitlements earned prior to the creation of the Special Operating Agency, and severance costs earned by staff to March 31, 1998. These amounts are expected to remain fixed. The Property Registry is responsible for changes in the vacation liability from April 1, 1997, and the severance liability from April 1, 1998.

The following items are included in due from Province of Manitoba:

	2001	2000
Funding for vacation payable as at April 1, 1997	$ 546	$ 546
Funding for severance payable as at April 1, 1998	1,076	1,076
Funding for deferred contributions as at March 31, 2000 (Note 7)	162	162
	$ 1,784	$ 1,784

5. Capital assets

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Computer system	$ 179	$ 40	$ 139	$ 26
Office equipment	308	161	147	190
Leasehold improvements	182	68	114	48
	$ 669	$ 269	$ 400	$ 264

6. Land titles assurance fund

Claims have been filed against the Property Registry for incidents which arose in the ordinary course of business. One such claim will likely be resolved for an amount currently estimated to be $12. The outcome of all other claims is not determinable.

Claims for loss as provided for in The Real Property Act are paid from the Land Titles Assurance Fund. The Agency's Land Titles Branch is responsible for the collection of deposits and the defense against claims on this fund. Claims in excess of the fund balance are paid out of the Consolidated Revenue Fund.

7. Employee pension liability

Pension liability

Employees of The Property Registry are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

The Agency restated it's pension liability as at March 31, 1999, to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previsions calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $162 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Due from the Province of Manitoba" (Note 4). The comparative figures have been restated to reflect the change, reducing the pension benefit expense for the year ended March 31, 2000.

7. Employee pension liability – continued

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $1,598 as at March 31, 2001. (2000; $1,198).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution to the Province was reclassified as accounts payable. The Agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

8. Severance payable

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for it's employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998, calculated at $1,041 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000, was recently completed. The liability as at March 31, 2000, was restated to $1,116 and the receivable from the Province was restated to $1,076 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $1,182 as at March 31, 2001.

9. Commitments

The Agency has entered into a Memorandum of Understanding with Manitoba Government Services (MGS) to lease its premises. The accommodation charges are established annually by MGS, and are based on its approved budget.

The Agency has also entered into agreements to lease equipment. These agreements carry various terms and conditions.

The estimated minimum lease payments for the premises and equipment in aggregate for each of the next five years are as follows:

	Premises	Equipment	Total
2002	$ 754	$ 80	$ 834
2003	769	82	851
2004	784	83	867
2005	800	85	885
2006	816	87	903
	$ 3,923	$ 417	$ 4,340

10. Land transfer tax

Land transfer tax is administered and collected by The Property Registry. Tax collected less refunds issued is remitted to the Consolidated Revenue Fund of the Province of Manitoba. Adjustments and refunds of land transfer tax are paid out of Department of Finance under the advice of the Registrar General.

11. Comparative figures

The financial statements for the year ended March 31, 2000, presented for comparative purposes, have been restated from those previously reported to include:

The retroactive adjustments to the recorded pension expense as of March 31, 2000, as in Note 7.

The retroactive adjustments to the recorded severance payable as of March 31, 2000, as in Note 8.

The Property Registry — Schedule 1

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Operating Expenses

(In Thousands)
Year Ended March 31,

	2001	2000
Computer processing	$ 314	$ 369
Department services	87	99
Desktop services	312	229
Equipment lease	104	105
Interest and bank charges	13	9
Occupancy costs	747	731
Office supplies and printing	165	173
POS costs	7	
Postage and delivery	206	171
Professional fees	24	42
Publications and subscriptions	23	28
Records preservation project	133	147
Repairs and maintenance	60	79
Special surveys	33	5
Sundry	11	4
Survey remonumentation program	130	91
Telephone	80	73
Training and staff development	22	15
Travel	39	44
	$ 2,510	$ 2,414

The Property Registry — Schedule 2

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Public Sector Compensation Disclosure

(In Thousands)
Year Ended March 31, 2001

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum. This information is as follows:

Employee	Position	Amount
Cavers, H. G.	Admin. Officer 3	$ 61
Cavers, R. G.	Assistant District Registrar	61
Crockatt, D.	Professional Officer 8	62
Davidson, R. E.	Legal Counsel 3	71
Effler, B. C.	Sr. Legal Officer 2	85
Fraser, G. R. S.	Sr. Manager 1	75
Fraser, J.	Legal Counsel 3	71
Grewal, J. S.	Legal Counsel 3	104
Joaquin, M.	Professional Officer 6	57
Johnston, B. G.	Legal Counsel 2	60
Kushniruk, J.	Legal Counsel 3	80
Lillie, G.	Legal Counsel 2	63
Lund, G. A.	Professional Officer 8	64
Poseluzney, S. M.	Clerk 3	58
Schoen, F. N.	Legal Counsel 3	80
Sims, E.	Legal Counsel 2	69
Wilson, R. M.	Sr. Legal Officer 3	88

MANITOBA SECURITIES COMMISSION
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

FINANCIAL STATEMENTS

March 31, 2001

BDO Dunwoody LLP
Chartered Accountants
and Consultants

THE MANITOBA
SECURITIES
COMMISSION

RESPONSIBILITY FOR FINANCIAL REPORTING

The Commission's management is responsible for preparing the financial statements and other financial information in the Annual Report. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Commission's financial statements have been audited by BDO Dunwoody, independent external auditors.

The Commission maintains accounting and internal control systems to provide reasonable assurance that its financial information is reliable and accurate and that its assets are adequately protected.

The Commission's management meets regularly to review the financial statements and accounting practices. The auditors have free and full access to management, if required to discuss results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On behalf of management,

Donald Murray
Chairman and C.E.O.

John Hudohmet
Controller

The Manitoba Securities Commission
1130-405 Broadway
Winnipeg, Manitoba R3C 3L6
Tel [204] 945-2548
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MANITOBA SECURITIES COMMISSION
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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AUDITORS' REPORT

TO THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY:

We have audited the balance sheet of **MANITOBA SECURITIES COMMISSION, AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY, PROVINCE OF MANITOBA** as at **MARCH 31, 2001** and the statements of income, retained earnings, reserve funds and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at **MARCH 31, 2001** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Winnipeg, Manitoba
May 15, 2001

CHARTERED ACCOUNTANTS

MANITOBA SECURITIES COMMISSION
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
March 31, 2001

	2001	2000
ASSETS		
CURRENT		
Cash and short-term deposits (Note 3)	$ 4,065	1,479
Accounts receivable (Note 4)	26	6
Prepaid expenses	11	21
	4,102	1,506
RESTRICTED SHORT-TERM DEPOSITS (Note 5)	670	512
RECEIVABLE FROM THE PROVINCE OF MANITOBA (Note 6)	269	269
CAPITAL ASSETS (Notes 2 and 7)	632	741
	5,673	3,028
LIABILITIES		
CURRENT		
Accounts payable (Note 11)	163	
Accrued liabilities	29	25
Accrued vacation entitlements (Note 8)	175	145
Accrued salaries and benefits	51	32
Current portion of long-term debt		598
	418	800
SEVERANCE PAY LIABILITY (Note 10)	164	167
PENSION LIABILITY (Note 11)		75
	582	1,042
COMMITMENTS (Note 13)		
EQUITY		
RESERVE FUND (Note 12) (Page 4)	670	435
RETAINED EARNINGS (Page 4)	4,421	1,551
	5,091	1,986
	$ 5,673	3,028

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MANITOBA SECURITIES COMMISSION
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF INCOME
(In thousands)
Year Ended March 31, 2001

	2001	2000
REVENUE		
Fees	$ 7,401	5,156
Interest	167	43
Miscellaneous	8	1
	7,576	5,200
EXPENSES		
Salaries and benefits	1,908	1,705
Operating expenses (Page 10)	794	622
Amortization - capital assets (Note 2)	169	146
Interest		41
	2,871	2,514
NET EARNINGS FOR YEAR (Page 4)	$ 4,705	2,686

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MANITOBA SECURITIES COMMISSION
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF RETAINED EARNINGS
(in thousands)
Year Ended March 31, 2001

		2001	2000
RETAINED EARNINGS, BEGINNING OF YEAR	$	1,551	
Net earnings for year (Page 3)		4,705	2,686
Disposition of surplus operating funds		(1,600)	(700)
Allocation to Reserve Fund		(235)	(435)
RETAINED EARNINGS, END OF YEAR (Page 2)	$	4,421	1,551

STATEMENT OF RESERVE FUNDS
(in thousands)
Year Ended March 31, 2001

		2001	2000
BALANCE, BEGINNING OF YEAR	$	435	
Allocation from retained earnings		235	435
BALANCE, END OF YEAR (Page 2)	$	670	435

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MANITOBA SECURITIES COMMISSION
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOWS
(in thousands)
Year Ended March 31, 2001

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings for year	$ 4,705	2,686
Adjustment for		
Amortization - capital assets	169	146
	4,874	2,832
Changes in non-cash working capital		
Accounts receivable	(20)	(6)
Receivable from the Province of Manitoba		(254)
Prepaid expenses	10	(21)
Accounts payable	163	
Accrued liabilities	4	25
Accrued vacation entitlements	30	145
Accrued salaries and benefits	19	32
Pension liability	(75)	75
Severance pay liability	(3)	152
	128	148
	5,002	2,980
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	(60)	(887)
Transfer to restricted short-term deposits	(158)	(512)
	(218)	(1,399)
CASH FLOWS FROM FINANCING ACTIVITIES		
Disposition of surplus operating funds	(1,600)	(700)
Proceeds of long-term debt		728
Repayment of long-term debt	(598)	(130)
	(2,198)	(102)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,586	1,479
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,479	
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,065	1,479

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1. NATURE OF ORGANIZATION

Effective April 1, 1999 the Lieutenant Governor in Council designated the Manitoba Securities Commission as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) by Order in Council No. 144/1999. The Order also gave approval to the Special Operating Agencies Financing Authority and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Commission, to enter into a management agreement with respect to the Agency.

A management agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Manitoba Securities Commission in delivering regulated services to clients.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of reporting

The financial statements have been prepared in accordance with generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost and amortized over their estimated lives as follows:

Office equipment	- 20% straight-line
Furniture and fixtures	- 20% straight-line
Leasehold improvements	- 10% straight-line
Computer hardware	- 20% straight-line
Computer software	- 20% straight-line

The half-year rule is used in the years of acquisition.

Revenue recognition

Fees and cost recoveries are recognized when received. Investment income is recorded on the accrual basis.

3. CASH AND SHORT-TERM DEPOSITS

The Commission invests all surplus cash into short-term deposits with the Province's Treasury Board; these deposits are made up of 30, 60 and 90 day callable term deposits.

4. ACCOUNTS RECEIVABLE

	2001	2000
Accrued interest	$ 23	
Employee computer purchases	3	3
Trade		3
	$ 26	6

5. RESTRICTED SHORT-TERM DEPOSITS

	2001	2000
Reserve Fund	$ 670	435
Employee Pension Benefits (Note 11)		77
	$ 670	512

The Commission maintains separate short-term deposits with the Province of Manitoba to fund liabilities arising from the Reserve Fund (Note 12).

6. RECEIVABLE FROM THE PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is made up of vacation and severance pay entitlement earned by employees of the Commission prior to creation of the SOA as at April 1, 1999.

7. CAPITAL ASSETS

	2001		2000	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	$ 11	2	6	
Furniture and fixtures	103	14	48	2
Leasehold improvements	113	12	113	
Computer hardware	117	46	117	23
Computer software	603	241	603	121
	947	315	887	146
Cost less accumulated amortization	$ 632		741	

8. ACCRUED VACATION ENTITLEMENTS

The Commission follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1999. The liability at this date is offset by a receivable from the Province and was $117 as at March 31, 1999. Any subsequent changes to the entitlement are reflected as a current year expense to the Commission. As at March 31, 2001 there was an increase to the entitlement in the amount of $36. The accrued vacation entitlement was $175 as of March 31, 2001 (2000 - $145).

9. FINANCIAL ARRANGEMENTS

Long term financing for significant capital purchases are provided through the Special Operating Agencies Financing Authority. The Commission repaid the entire balance of $598 on April 1, 2000.

10. SEVERANCE PAY LIABILITY

Effective April 1, 1999, the Commission began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1999. Accordingly, the opening severance pay liability balance as at April 1, 1999 calculated at $137 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $167 and the receivable from the Province was restated to $152 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $164 as at March 31, 2001.

11. EMPLOYEE PENSION BENEFITS

Employees of the Commission are eligible for pension benefits in accordance with the provision of The Civil Service Superannuation Act. The Agency has recorded an obligation for the pension benefits earned by their employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba, which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as a SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $181 as at March 31, 2001 (2000 - $75).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution to the Province was reclassified as Accounts Payable. The Agency will transfer funds equal to the net amount to the Province in 2001 - 2002.

12. RESERVE FUND

The Commission has established a reserve fund to finance extraordinary expenses for isolated and unanticipated purposes that are regulatory in nature, and for changes in market activity that have an effect on revenues. The intent is to fund the reserve, through an annual charge to retained earnings, over four years, until the fund reaches an accumulated balance of $1 million.

13. LEASE COMMITMENT

The Commission has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2001 are $120.

14. PRIOR YEARS FIGURES

The prior years figures have been restated to conform with current year presentation. The net earnings remained unchanged.

MANITOBA SECURITIES COMMISSION
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF OPERATING EXPENSES
(in thousands)
Year ended March 31, 2001

		2001	%	2000	%
Contract services	$	313	40	220	36
CSA Initiatives		2			
Education / Information initiatives		20	3	2	
Miscellaneous		12	2	41	7
Office materials and supplies		107	13	71	11
Premises		120	15	116	19
Professional membership and dues		6	1	7	1
Research resources		32	4	21	3
Professional services		65	8	53	9
Staff development		15	2	8	1
Telecommunications		51	6	44	7
Travel		51	6	39	6
	$	794	100	622	100

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MANITOBA SECURITIES COMMISSION
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
Year ended March 31, 2001

EMPLOYEE	TITLE	COMPENSATION
Don Murray	Chairman & CEO	$ 112
Bob Bouchard	CAO & Director of Capital Markets	82
Nancy Martin	Assistant Legal Counsel	78
Doug Brown	Director of Legal & Enforcement & Secretary to the Commission	75
Jim Storsley	Registrar - Real Estate	71
Glen Lillies	Compliance Officer	61
Chris Besko	Assistant Legal Counsel	59
John Hudohmet	Controller	52

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.

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